

UNITED NATIONS
General Assembly

FORTY-NINTH SESSION

Official Records

FIFTH COMMITTEE

7th meeting

held on

Thursday, 20 October 1994

at 10 a.m.

New York

SUMMARY RECORD OF THE 7th MEETING

Chairman:

Mr. TIERLINCK

(Belgium)

Chairman of the Advisory Committee on Administrative and
Budgetary Questions: Mr. MSELLE

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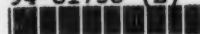
AGENDA ITEM 112: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF
THE UNITED NATIONS (continued)

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The meeting was called to order at 10.20 a.m.

AGENDA ITEM 112: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/49/11)

1. Mr. DJACTA (Algeria) fully agreed that the methodology should be made simpler and more transparent and should be based on reliable and comparable data. Algeria, which, because of its economic difficulties, assumed a burden that was too great in relation to its capacity to pay, wished to reaffirm that capacity to pay remained the cardinal principle for establishing the scale of assessments and that national income provided the fairest basis for determining capacity to pay. Accordingly It could not therefore accept the so-called "clean slate" approach.
2. His delegation believed that the debt adjustment approved should continue to be used, as should a short statistical base period.
3. With regard to the phasing out of the scheme of limits, his delegation noted from paragraphs 18 to 23 of the Committee's report that the methods proposed for the distribution of unallocated points was in conformity with the provisions of resolutions 46/221 B and 48/223 B with respect to the developing countries. His delegation was ready to participate in efforts to achieve a consensus on the basis of the recommendation in paragraph 60 of the Committee's report.
4. Ms. RODRIGUEZ (Cuba) said that her delegation was in favour of phasing out the scheme of limits immediately on the grounds that it was no longer justified since the shortcomings of the methodology for establishing the scale of assessments had largely been remedied. Her delegation regarded that solution as fairer and more valid than a gradual phase-out. However, given the political implications of the matter, her delegation would be willing to accept a multiple-step phase-out, as recommended by the Committee on Contributions, if that were necessary in order to achieve a consensus. It was, in any case, important for a scale to be established for the period 1995 to 1997 and for the Committee to continue to study ways of improving the methodology over the next two years.
5. Among the rules that had been arbitrarily fixed for the assessment of contributions, the application of a ceiling and the associated redistribution of a large number of points among Member States, including developing countries, resulted in the greatest distortion of the principle of capacity to pay. The issue of maintaining or abolishing the ceiling should be given priority consideration by the General Assembly, should it decide to study in depth the distortions created by the current methodology, as well as by the ad hoc body which was to be set up in accordance with resolution 48/223 C to study the implementation of the principle of capacity to pay. In that connection, her delegation hoped that the membership of the ad hoc body would strictly respect the principle of equitable geographical distribution and that its

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recommendations would relate only to the scale of assessments for contributions to the regular budget of the Organization. It also hoped that the Committee on Contributions would take due account of the recommendations of the ad hoc body.

6. Her delegation considered that, because of the essentially technical nature of financial questions, the Fifth Committee was competent to consider all initiatives relating to the financing of the Organization and that the tasks should be distributed between the Main Committees and the plenary General Assembly. Her delegation would cooperate with others which were willing to defend that principle.

7. Since the General Assembly had asked the Committee on Contributions to submit specific proposals to it on the various elements of the methodology for establishing the scale, her delegation invited it to set aside sufficient time for consideration of those issues in the programme of work for its fifty-fifth session. The Committee should, in particular, consider in detail the criteria for determining the applicable exchange rates. In that connection, she awaited with interest the recommendations that it would make on the basis of the comprehensive study it had requested from the Secretariat in paragraph 50 of its report (A/49/11).

8. Mr. WYZNER (Poland), pointing out that the important post of Secretary of the Committee on Contributions was currently vacant, said that his delegation would like to be informed of the Secretary-General's intentions concerning the appointment of a successor. Turning to the question of the scale of assessments proposed for the period 1995-1997, he recalled that, in a statement made on 12 October 1994 to the General Assembly, the Secretary-General had affirmed that the establishment of a more equitable scale might be a means of alleviating the financial crisis facing the Organization. He fully shared that view and, in that connection, said that Poland, despite its own budgetary difficulties and despite the fact that the Organization owed it considerable sums in reimbursement of the contingents it had provided, was doing its best to meet its financial obligations.

9. The proposed scale of assessments seemed to reflect the capacity to pay of Member States rather better than earlier scales and met, at least in part, the concerns of a number of developing countries and of Central and Eastern European countries with economies in transition. His delegation, however, shared the opinion expressed by 15 Member States in a joint submission, the text of which had been distributed on 4 October 1994 to the members of the Fifth Committee, to the effect that 50 per cent of the effects of the scheme of limits should be eliminated in the first year of the application of the new scale; the assessments for the three years would thus be those recommended for 1997. His delegation noted that the Committee did not exclude that option, even though it recommended a three-step phase-out (paras. 16 and 19 of its report). That being so, his delegation was willing to approve the scale recommended by the Committee and hoped that it would be adopted by consensus.

10. With regard to the methodology for establishing the scale, his delegation had already indicated its support for the position of the European Union that

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the methodology should be made more stable, simpler and more transparent and that the scale should be based on verifiable, reliable, comparable and recent data. That required the use of comparable data on national income and the progressive elimination of current distortions, in particular the elimination of the scheme of limits. A further reduction in the statistical base period would make it possible to apply fairer rates to those Member States which had formerly been part of larger entities. The low per capita income allowance formula, which had for years played an important part in the search for greater equity, raised more complex problems.

11. His delegation was looking forward to the results of the thorough and comprehensive review requested of the Committee under General Assembly resolution 48/223. The Committee should be provided with the resources (meeting time and support services) it needed in order to implement its mandate as spelled out in rule 160 of the rules of procedure of the General Assembly. An appropriate reference might be made in the resolution under agenda item 112. His delegation did not favour the establishment of bodies or working groups with functions similar to those of the Committee on Contributions. Not only was there a risk of duplication of efforts, but a review of the scale methodology might lead to political pressure, tension and delays which would only have an adverse effect on the payment of contributions and make it very difficult to develop a simpler, more stable and more transparent scale of assessments.

12. Mrs. ARYSTANBEKOVA (Kazakhstan) said that her delegation shared the concern expressed by the Secretary-General in his statement to the General Assembly on 12 October 1994 on the financial standing of the Organization and that it attached great importance to the review of the scale methodology. It supported the idea of establishing an ad hoc intergovernmental body of internationally recognized experts to carry out a comprehensive and in-depth study of the implementation of the principle of capacity to pay.

13. Unfortunately, Kazakhstan was among the Member States which had not made payments towards their 1994 regular budget assessments. The only reason for that delay was that her country lacked hard currency: the acute social problems caused by economic restructuring had exhausted its reserves and it had to grapple virtually alone with a disastrous environmental situation. Kazakhstan was nevertheless determined to meet its financial obligations and, despite its difficulties, had paid about \$3.5 million towards both the regular budget and the financing of peace-keeping operations at the end of 1993.

14. She was pleased to note that the Committee on Contributions had taken into account in its report (A/49/11) her delegation's position with regard to statistical data and exchange rates. She also welcomed the Committee's decision to request the Secretariat to prepare a comprehensive critical study on the establishment of well-defined criteria for converting national income data to United States dollars.

15. On the other hand, the Committee's treatment of the phasing out of the scheme of limits was not satisfactory. Paragraph 1 (f) of General Assembly resolution 48/223 B appeared to have only one interpretation: a one-step

phasing-out. The three-step approach recommended by the Committee was at variance not only with long-standing practice and with rule 160 of the rules of procedure of the General Assembly, but also with paragraph 3 of resolution 48/223 B which requested the Committee to make recommendations to address the problems of the group of 22 Member States, whose rates of assessment were much in excess of their real capacity to pay. Finally, resolution 48/223 had been adopted by consensus only on the understanding that it should be regarded as a package of mutually agreed measures. Even the immediate elimination of the scheme of limits would not have been sufficient to bring Kazakhstan's rate of assessment to a level equal to its real capacity to pay. Despite that, and in order to maintain the consensus, Kazakhstan had agreed to a two-step phasing out of the scheme of limits over the period of two scales. Since Member States had divergent interests on the issue, the one-time elimination of 50 per cent of the effects of the scheme of limits appeared to constitute an acceptable compromise in keeping with the spirit of resolution 48/223.

16. Mr. EL-ARABY (Egypt) said that he supported the Committee's recommendation in paragraph 60 of its report and that the decision to spread the effects of the 50 per cent phase-out of the scheme of limits over a three-year period on the basis of a country-by-country approach would promote greater transparency and would be simpler. The fundamental criterion for allocating the expenses of the Organization should remain capacity to pay, determined mainly on the basis of national income and taking into account the external debt burden, which continued to have serious adverse effects on the economies of a substantial number of developing countries, particularly in Africa. It was to be hoped that the ad hoc body to be established to study the implementation of the principle of capacity to pay would make a valuable contribution to the debate on the issue provided that its work complemented rather than duplicated the work of the Committee on Contributions and of the General Assembly and that its composition was based on the principle of equitable geographical distribution.

17. Over the past few years, many proposals had been made to improve the scale methodology, but the so-called "clean slate" approach ran counter to decisions which had made capacity to pay the fundamental criterion. The concept of purchasing power parity was equally inappropriate for use in the United Nations context because of its serious deficiencies in terms of methodology and data. On the other hand, the question of the exchange rate to be applied to convert national income data was one of the key factors in the current methodology; the comprehensive study which the Committee on Contributions had requested of the Secretariat was therefore of great importance. In any event, Egypt, which paid all its assessments in full and on time, despite its economic difficulties, would carefully study the ideas that the Secretary-General had shared with the General Assembly on ways of ensuring the financial viability of the Organization and alleviating its current financial crisis.

18. Mr. AL-AMRI (Oman) said that the Organization's difficult financial situation made the many delays in the payment of contributions both to the regular budget and to those of peace-keeping operations even more disquieting and that the countries concerned should honour their commitments promptly. In accordance with General Assembly resolution 48/223, any new method for

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determining the scale of assessments must be based on the principle of capacity to pay, taking into account the economic situation of certain Member States and of the changes that might occur in that regard. That method must therefore be both simple and flexible in order to take into account fluctuations in economic trends, particularly in developing countries, and not to increase the burden on the latter.

19. Notwithstanding its positive aspects, the method proposed by the Committee on Contributions resulted in an increase in the assessments of some developing countries. Its components suited many Member States and it reflected to some extent the principle of capacity to pay, but it disregarded certain aspects such as the fact that some countries derived their national income from only one resource, the prices for which were unstable or steadily declining. His delegation had already indicated on previous occasions that the scheme of limits should be eliminated, while reaffirming that the scheme should in no way lead to the allocation of additional points to the developing countries. Oman, which had always paid its assessments in full and on time, hoped that its difficult financial situation would be taken into account.

20. Mr. AL-JAWARNEH (Jordan) said that the current method for determining the scale of assessments, which was the result of 50 years of collective efforts by Member States, was not so defective that it could not be improved and rendered simpler and more transparent. The Committee on Contributions recommended to the General Assembly a scale of assessments which was in accordance with the spirit of resolution 48/223, which reaffirmed the fundamental nature of the principle of capacity to pay. Any formula which might distort the operation of that principle should therefore be avoided; if the method needed to be reviewed in future, the external debt burden and per capita income should be taken into account, rather than socio-economic indicators. With regard to the ad hoc body to study the implementation of the principle of capacity to pay, he said that its mandate and methods of work should be studied carefully, its terms of reference should be confined to the regular budget and its members should be appointed by the President of the General Assembly in consultation with Member States and on the basis of the principle of equitable geographical distribution.

21. Mr. BARIMANI (Islamic Republic of Iran) said that, contrary to past practice, the Committee on Contributions proposed not one but three different scales of assessment, which was not in line with paragraph 1 of General Assembly resolution 48/223 B or article 160 of the rules of procedure of the General Assembly, which clearly referred to a single scale for the entire three-year period. That reduction in the scale resulted from the choice made between a one-step or multiple-step phase-out of 50 per cent of the effects of the scheme of limits. A simple calculation showed that a larger group of countries, mainly developing States and those with economies in transition would gain as opposed to a smaller group, mainly developed countries, which would lose if the one-step approach was adopted. The conclusion drawn by the Committee on Contributions in that regard (para. 23 of the report) was therefore far from satisfactory. Under the current scale, the assessment rate for his country was 3.5 times more than its actual capacity to pay (column 6 of annex II.A and III.A of the report) and would be tripled if the scale recommended by the Committee on Contributions was

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applied. Accordingly, his delegation was in favour of a full 50 per cent phase-out in 1995, the option under which its assessment rate would be more than two times greater than the rate in annexes II.A and III.A.

22. The fundamental criterion for determining the scale of assessments was the principle of capacity to pay, which was assessed on the basis of national income. Other important factors, however, should not be neglected: natural and man-made disasters, refugee flows, foreign debt and low per capita income. The so-called "clean slate" approach could not be a solution and would not fully reflect capacity to pay. Referring to the statistical base period, he pointed out that with the structural adjustments taking place in the national economies of many Member States, a shorter base period, preferably of three years, would be much more desirable.

23. His delegation welcomed any decision aimed at improving the methodology for determining the scale of assessments, such as the establishment of an ad hoc body to study the implementation of the principle of capacity to pay. Care should be taken, however, to avoid duplication of effort. The ad hoc body should therefore focus its attention solely on the regular budget; its recommendations should be considered by the Committee on Contributions before submission to the General Assembly; and its members should be appointed by the President of the General Assembly on the basis of equitable geographical representation.

24. Mr. HAMIDA (Libyan Arab Jamahiriya) said that the Committee on Contributions had, to a large extent, succeeded in carrying out the task entrusted to it under General Assembly resolution 48/223, which established a clearly defined methodology for determining the scale of assessments. Nevertheless, that methodology was far from reflecting in a precise manner the real capacity of Member States to pay, if only because the statistical base period still referred to a situation in the past and not to current economic conditions, which were the only real factor for determining that capacity. Although the scheme of limits constituted a further constraint, the greatest distorting factor was still the upper limit on rates of assessment, which increased the burden imposed on the countries that did not benefit from it.

25. The Libyan Arab Jamahiriya was undergoing a difficult economic situation aggravated by an economic embargo and iniquitous sanctions imposed by the Security Council under pressure by three countries. The damage caused by those sanctions had been described in numerous documents addressed to the Security Council (the latest under the symbol S/1994/921). Since it failed to take account of the damage incurred by the Libyan economy, the total of which was estimated at \$4.5 billion, the current methodology established a high assessment for his country, which would affect the scales of the specialized agencies. The Committee on Contributions, therefore, should continue to study that methodology in order to recommend ways to improve it. That Committee was the appropriate body for that purpose, provided that it operated in a more transparent manner and gave Member States more of an opportunity to present their points of view to it. His delegation, in any case, was opposed to any attempt to circumvent the

Fifth Committee and its bodies by establishing working groups or other entities which could only complicate a task that by its nature was arduous enough.

26. Mr. PIBULSONGGRAM (Thailand) said that the Committee on Contributions had taken into account the essential criteria set forth in General Assembly resolution 48/223 B and hoped that the Fifth Committee would unanimously adopt the scale recommended. Like many others, his delegation wished to have a stable, simpler and more transparent scale methodology and therefore welcomed the decisions taken by the General Assembly in resolution 48/223 C. Thailand favoured a gradual approach to improving the scale methodology. While it recognized that capacity to pay was the fundamental criterion, it did not believe that national income reflected a country's genuine capacity to pay. However, should a decision be taken to eliminate the so-called "distorting" elements, all of them, including the ceiling and floor rates, should be eliminated.

27. Resolution 48/223 B already contained appropriate elements to measure a country's capacity to pay and those elements should be maintained, particularly, national per capita income and external debt.

28. His delegation fully appreciated the difficulties experienced by the Committee on Contributions. Although its decision to spread the 50 per cent phase-out of the effects of the scheme of limits on the basis of a country-by-country approach over three years did not meet the expectations of all Member States, it represented a reasonable compromise which would avoid excessive changes in assessment rates over the 1995-1997 period.

29. Thailand had consistently paid in full its assessed contributions to both the regular budget and the peace-keeping budget. Although it was trying to meet its obligations on time, its ability to pay on time, like that of many Member States, was affected by different internal budgetary processes. Arrears were often due to that technical problem rather than a lack of will to meet one's financial obligations. The situation with regard to peace-keeping operations was even more acute than that concerning the regular budget. Since all the 17 current operations had different assessment periods, Member States each year received dozens of notices for contributions. The time perhaps had come to find new collection methods for contributions for peace-keeping operations since the assessments for them should continue to be based on the ad hoc scale adopted by the General Assembly in resolution 3101 (XXVIII).

30. His delegation supported the recommendations by the Committee on Contributions on the scale of assessment for the regular budget for the period 1995-1997, as contained in paragraph 60 of its report.

31. Mr. NATHON (Hungary) said that although his delegation disagreed with some points in the recommendations by the Committee on Contributions, it considered them a very good basis for a compromise resolution on the item. With regard to the phasing out of 50 per cent of the effects of the scheme of limits, the country-by-country approach advocated by the Committee on Contributions was probably the correct one. The question of a one-step versus a three-step phase-

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out had to be resolved. Compared to the scale adopted for 1992-1994, the new assessment rates of the overwhelming majority of developing countries and the countries of the former Soviet Union and Eastern and Central Europe were either unchanged or decreasing, while the rates of the developed countries increased. In the case of a very small number of developing countries (seven) whose assessment rates would increase by 1, 2 or 3 points, the increase, with only one exception, would occur in the first year. In other words, the developing countries did not seem to be in any way affected by a three-step phase-out of the 50 per cent effects of the scheme of limits, as opposed to the one-step phase-out. His delegation, which had suggested, six years earlier, the complete abolition of the scheme of limits, was therefore in favour of the one-step phase-out.

32. Adjustments in the current methodology by reducing the base period from 10 years to 7 and 8 years could help determine more accurately capacity to pay. Progress in that direction, however, was very slow in view of the traditional United Nations approach to the matter.

33. In view of the Secretary-General's proposals made on 12 October and the numerous efforts aimed at a reformed or completely new methodology, a reallocation of points was not likely to affect small and medium-sized contributors. The search for a magic formula that was at the same time more equitable, more transparent and simpler was therefore somewhat frustrating.

34. The question of the payment of contributions must be considered from various angles, including the priority setting of the Organization, payment methods and incentives or penalties, if any, and the financial authority and manoeuvrability of the Secretary-General.

35. The delegation of Hungary joined those of the European Union and Austria, the United States and other countries which had called for a scale methodology that would follow more readily the changes in the capacity of each country to pay.

36. Mr. SHAHEED (Syrian Arab Republic), while acknowledging the work done by the Committee on Contributions, said that he could not support the recommended scale in which the assessments of certain countries, including Syria, increased while those of other countries either remained unchanged or declined. The Syrian Arab Republic was firmly committed to the principle of the collective responsibility of all Member States with respect to the regular budget, based on the capacity of each Member to pay. The burden must therefore be distributed among all Members in a just and equitable manner and the proposed scale, unfortunately, did not meet those two criteria.

37. Syria's contribution had steadily increased over the years, without any regard for the particular situation of a country a part of whose territory, comprising the most fertile agricultural land, was under occupation by Israel. Syria had discovered no new mineral resources in its subsoil and none of its economic problems had been solved; it had a right to expect a link, however tenuous, between increases in the assessments of Member States and improvements

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in their economic situation and thus in their capacity to pay. It therefore urged the Committee on Contributions to pursue its efforts aimed at improving the methodology for the apportionment of the expenses of the Organization and to propose a scale characterized by equity and stability. The Syrian delegation, moreover, was of the view that the payment of contributions in currencies other than United States dollars would help certain developing countries which lacked foreign currency, including Syria, to pay their contributions earlier.

38. Mr. APTSIAURI (Georgia) said that a fair and transparent scale of assessments which reflected the real capacity of each Member State to pay was essential for the proper functioning of the Organization. He saluted the efforts made by the Committee on Contributions to improve the method and to clear it of artificially attached elements which greatly distorted the real capacity of Member States to pay. Nevertheless, the recommendations of that Committee concerning the scheme of limits - one of the main factors of distortion - did not satisfy his delegation. In 1993, in a spirit of compromise, his delegation had supported the decision to phase out the scheme of limits over two consecutive periods. It had hoped that that step would have facilitated a consensus in 1994. Instead, however, the Committee on Contributions was making a recommendation that was neither balanced nor reasonable.

39. In view of its economic and other problems, Georgia had been unable to pay its assessed contributions and would do so as early as possible. However, it was unfair that it should be assessed at a rate four times higher than its real capacity to pay in order to prevent excessive variations in the assessment of certain countries, even though such variations had already been mitigated by the use of a long statistical base period. Only a 50 per cent reduction of the negative impact of the scheme of limits from the beginning of 1995, as the 15 newly independent States had suggested in their joint statement, could ensure that a consensus was achieved on the Fifth Committee's decision.

40. Mr. ETUKET (Chairman of the Committee on Contributions) said that he was heartened by the interest which delegations had shown in the Committee's work. Most delegations wanted a change in the methodology in order to better reflect the capacity of Member States to pay, but there were divergent views on the means of attaining that objective. The situation was the same within the Committee. It was therefore clear that the political will of Member States would be more important in making headway in the matter than the Committee's technical advice. The General Assembly must reach a consensus on the direction which the Committee should give to its work in 1995. In 1993, the Assembly had already formulated guidelines to facilitate the Committee's work, particularly with regard to exchange rates. The Committee awaited with interest the study which the Secretariat was required to undertake on those rates in 1995. He also hoped that the consultations which had begun with a view to establishing the special body envisaged by the General Assembly would assist the efforts being made to improve the methodology.

41. He fully understood the concerns which certain delegations, particularly those of the Group of 22, had expressed on the subject of the phasing out of the

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scheme of limits. He was confident that the Fifth Committee would find a solution that was acceptable to all delegations. Towards that end, it might also wish to refer to the criteria concerning the modalities for phasing out the scheme contained in resolution 48/223.

42. In establishing the proposed scale, the Committee had duly taken into consideration General Assembly decision 47/456. It considered, however, that the implementation of that decision raised legal or political issues which were beyond the scope of its mandate and which should be dealt with instead by the Fifth Committee.

43. With respect to the comments by Bulgaria, the Committee had considered the question of the exchange rates to be used for that country for the years 1985-1990 but had reached the conclusion that there was "no technical justification for replacing the rates with premium previously used with rates extrapolated on the basis of a coefficient" (para. 47). For the scale for the period 1992-1993, the General Assembly had approved the use of exchange rates with premium for the years 1985-1989. For 1990, the Committee had observed the principle of the uniform application of exchange rates provided for in General Assembly resolution 46/221 B.

44. In conclusion, he hoped that the discussions and decisions of the Fifth Committee would facilitate the review of the scale methodology which the Committee on Contributions would undertake in 1995.

45. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee had concluded the general debate on item 112.

46. It was so decided.

The meeting rose at 12.15 p.m.

UNITED NATIONS
General Assembly

FORTY-NINTH SESSION

Official Records

FIFTH COMMITTEE
8th meeting
held on
Friday, 21 October 1994
at 10 a.m.
New York

SUMMARY RECORD OF THE 8th MEETING

Chairman:

Mr. TEIRLINCK

(Belgium)

Chairman of the Advisory Committee on Administrative and
Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 130: FINANCING OF THE UNITED NATIONS ASSISTANCE MISSION FOR RWANDA

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The meeting was called to order at 10.20 a.m.

AGENDA ITEM 130: FINANCING OF THE UNITED NATIONS ASSISTANCE MISSION FOR RWANDA (A/49/375 and Corr.1 and Add.1 and A/49/501)

1. Mr. TAKASU (Controller), introducing the Secretary-General's report on the financing of the United Nations Observer Mission Uganda-Rwanda (UNOMUR) and the United Nations Assistance Mission for Rwanda (UNAMIR) (A/49/375 and Corr.1 and Add.1), said that the Security Council had extended the mandate of UNAMIR several times; the current mandate would expire on 9 December 1994. The Council had not only expanded the Mission's mandate but had also authorized an expansion of the UNAMIR force level up to 5,500 troops. The final mandate of UNOMUR had been extended for three months, until 21 September 1994. The Secretary-General's report (A/49/375) contained the cost estimate for the period from 5 April to 9 December 1994 and monthly cost estimates for a 12-month period, beginning on 10 December, which would ensure the operation of the Mission in the event that the Council decided to extend its mandate, as well as information on humanitarian assistance, voluntary contributions, status of reimbursement to troop-contributing States and the Secretary-General's observations and comments on previous recommendations by the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

2. By mid-September, the situation in Rwanda had changed and had necessitated a revision of the assumptions on which the cost estimates had been based. As a result of a further review of operational requirements, a corrigendum (A/49/375/Corr.1) had then been issued on 30 September 1994. The corrigendum provided information on the reduction to the cost estimate for the current period and for the period from 10 December 1994 to 9 December 1995, which was the result of a decision to purchase 50 wheeled armoured personnel carriers (APCs) as replacements for the 50 tracked APCs, which would have been provided as a voluntary contribution in kind.

3. Paragraph 15 of the corrigendum dealt with the action to be taken by the General Assembly at its current session in connection with the financing of UNAMIR. On the basis of the information contained in the report on the financial performance of the two missions (A/49/375/Add.1), the amount to be deducted from the assessed contributions would be \$10,531,600 gross for UNAMIR and \$1,288,200 gross for UNOMUR. Outstanding contributions for the two missions currently amounted to \$21,706,826.

4. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the financing of UNAMIR and UNOMUR (A/49/501), said that there were no cost estimates for UNOMUR which, as indicated in paragraph 5 of the report, had closed on 21 September 1994.

5. Owing to political developments, the Secretary-General had not been able, as the General Assembly had requested in its resolution 48/248 of 5 April 1994, to submit the performance report for the mandate period ending 4 April 1994 and the budget estimates for the subsequent period no later than 31 August 1994. The Security Council having decided on 17 May 1994 to expand the mandate of UNAMIR and authorize the UNAMIR force at a level of up to 5,500 troops (excluding military observers and civilian police), the Controller had informed the Fifth Committee that the report on the estimates would be submitted in September 1994. As a result, the cost estimates submitted in the report were being considered less than two months before the end of the eight-month mandate period to which they related. Further, even though the General Assembly, in paragraph 10 of its resolution 48/248, had granted commitment authority to the Secretary-General for the period ending 31 October 1994, according to the revised cost estimate (A/48/837/Add.1) no amount had been left to be committed for the month of October. The Fifth Committee should thus give priority to the task of reforming the current procedures for the consideration of peace-keeping budgets, hence the importance of the upcoming debate on the report on the effective planning, budgeting and administration of peace-keeping operations (A/48/945).

6. The Advisory Committee presented its general observations in paragraphs 1 to 14 of its report, examined the estimates for the mission for the current period in paragraphs 15 to 46, and offered its views on the estimates for the period beyond 9 December 1994 in paragraphs 47 to 50. One comment that applied to all peace-keeping operations concerned the need to refine the method for relating budgetary estimates and other requirements to the operational plan. There was also a need for the Secretariat to give a clearer indication of the role of voluntary funded programmes, especially humanitarian activities, in peace-keeping operations.

7. In paragraphs 7 to 9 of its report, the Advisory Committee referred to developments in the Mission area since the adoption by the Security Council of its resolution 918 (1994) of 17 May 1994 expanding the mandate of UNAMIR, developments which had resulted in the issuance of revised estimates (A/49/375/Corr.1).

8. Taking into account voluntary contributions, the estimates amounted to \$180.6 million gross (\$178.9 million net) for the period 5 April 1994 to 9 December 1994. The amount included \$62.2 million gross (\$60.9 million net) committed in accordance with General Assembly resolution 48/248, and \$37.2 million gross (\$38 million net) in an additional commitment authorized for the period ending 30 September 1994 (A/48/828/Add.2). The estimate would cover requirements for a total of 6,390 personnel: 5,500 military personnel, 320 military observers, 90 civilian police, a proposed establishment of 233 international staff, 74 United Nations volunteers and 173 local staff.

9. The Advisory Committee, when it had considered the estimates, had not had before it the performance report for UNOMUR and UNAMIR (A/49/375/Add.1) indicating that there was an unencumbered balance for UNOMUR of \$1.3 million gross for the period ending 21 December 1993 and an unencumbered balance of

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\$10.5 million gross in respect of UNAMIR for the period 5 October 1993 to 4 April 1994. The Advisory Committee would be reporting shortly, in the context of its report on document A/48/945, on the most appropriate procedure for performance reporting. In the meantime, the Fifth Committee might wish to consider, in the context of the assessment on Member States, how to treat the unencumbered balances.

10. In paragraphs 17 to 45 of its report, the Advisory Committee commented in detail on the cost estimates for various services. With respect to staff costs, the Advisory Committee again called for better presentation and justification in terms of the most up-to-date operational requirements. The total number and functions of civilian staff, and the grade levels of posts for Professional staff, had received particular attention. On the whole, the Advisory Committee believed that criteria needed to be developed for determining the number of civilian staff for various services in peace-keeping missions. It therefore welcomed the information that steps were under way to prepare standard staffing tables for missions of varying sizes. In the meantime ACABQ had requested that the personnel proposals for UNAMIR should be rationalized and had proposed a number of changes, as indicated in paragraph 26 of its report. In that connection he emphasized in particular the Advisory Committee's opinion in paragraph 26 (c) with respect to the question of resident auditors.

11. The Committee had commented extensively and had made specific recommendations on hazard pay, common staff costs, the proposed number of vehicles, and services such as telecommunication, data processing and contractual services. There had been considerable discussion of the latter and, in particular, of the need to continue contracting for the services of the Brown and Root Services Corporation. Subsequent to those discussions in the Committee and in addition to its recommendation in paragraph 43, the estimate for the contract for Brown and Root had been considerably revised (see para. 41). On the question of payments to Governments for potential claims in connection with equipment abandoned during the withdrawal of military contingents in April 1994, ACABQ was of the view that it was not necessary to appropriate at the current stage the amount of \$7.8 million. Any claims received should be handled in the manner indicated in paragraph 31 of its report.

12. In paragraph 46 of its report, the Advisory Committee was recommending to the General Assembly an appropriation of \$163,101,700 gross and an assessment of \$100,744,440 gross, taking into account the credit of \$5.3 million gross and an assessment of \$57.1 million gross already authorized for the period in question. However, the final amount to be assessed would depend on how the Fifth Committee treated the results of the performance report (A/49/375/Add.1). In paragraph 50 of its report, the Advisory Committee was recommending a monthly commitment authority of \$10.5 million, should the Security Council extend the mandate of UNAMIR beyond 9 December 1994, subject to such decisions as might be taken by the General Assembly after it had considered the relevant policy issues in document A/48/945 and the related report of ACABQ.

13. The Advisory Committee had tried as best it could to produce a report addressing the comments made by some delegations, namely to explain clearly the basis of each recommendation and reflect as accurately as possible information supplied by representatives of the Secretary-General. As a result, the report was slightly longer and more detailed. As the preparation of reports of that kind took much more time, and taking into account the fact that the Secretariat frequently corrected and changed texts and even proposals submitted to the Committee, the timely submission of ACABQ reports to the Fifth Committee was bound to be affected.

14. Mr. TAKASU (Controller), replying to the comments of the Chairman of the Advisory Committee, emphasized, as had the Chairman of ACABQ, that it was difficult to prepare budget estimates when operational requirements were constantly changing. In the case of UNAMIR, in mid-September the Secretary-General had submitted a 100-page report on the financing of the Mission, which at the end of September had been followed by a 17-page corrigendum on revised cost estimates and, in mid-October, by a 34-page addendum containing the performance report for the previous period, or a total of more than 150 pages. While it was essential to provide the Advisory Committee with as complete and relevant information as possible, the volume of documentation did not facilitate the review of budget estimates. In order to improve and simplify the presentation, the Secretariat would in future endeavour to prepare standard costs, standard staffing tables for missions of varying sizes, standard coefficients for vehicles or equipment according to force strength, and so on, and in budget reports would consider only the elements that differed from those standard estimates.

15. The Secretariat accepted all the Advisory Committee's recommendations and would endeavour to provide more detailed information and justification regarding the new posts, activities financed from voluntary contributions, vehicles, equipment and logistical arrangements. Nevertheless, there should be adequate time for careful consideration of the headings to be included in all budget reports.

16. With regard to the simplification of budget procedures, the Secretariat was incapable of submitting, on an ongoing basis, reports dealing with one particular mission. That was why, in the case of UNAMIR, it had prepared cost estimates for the period from 5 April to 9 December 1994, and for a period of 12 months beginning on 10 December 1994, in order to ensure the operation of the Mission. The recommendation contained in paragraph 50 of the Advisory Committee's report, which authorized the Secretary-General to enter into commitments at a monthly rate not to exceed \$10.5 million gross for the period beyond 9 December 1994, subject to the prior concurrence of the Advisory Committee, would put the Secretariat in a difficult position. First, the recommendation would require the Secretariat to submit cost estimates to ACABQ in November. Secondly, the authorized amount of the costs, which had been reduced by nearly one half, would not be sufficient to ensure the operation of the Mission, which currently involved 5,006 military personnel, 319 military observers and 47 civilian police.

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17. Because of the political situation and the evacuation of personnel, the Secretariat had had difficulty in preparing the performance report and had had to send Headquarters staff to the field to obtain the necessary information. It had been decided that, in future, a performance report would be submitted three months after the period under consideration. However, it might be difficult to follow that procedure when there was a rapid change in the situation or owing to other problems such as the lack of information from the zone of operations or a staff shortage in the Budget Division.

18. Hazard pay appeared under "common staff costs" but was not included in standard costs. Hazard pay and other payments were mandatory costs that should be contained in the performance report. With regard to the equipment abandoned during the withdrawal of military contingents, the Secretariat had received a claim for payment from one Member State whose equipment, having substantial value, had been abandoned during the evacuation, and it might well receive other claims. When the amount of payment had been determined, he would request the necessary appropriation. With regard to contractual services, he had requested a representative of the Department of Peace-keeping Operations to provide the necessary explanations.

19. Mr. BEISSEL (Acting Director of the Field Administration and Logistics Division, Department of Peace-keeping Operations) explained the "internal difficulties" (A/49/501, para. 40) that had prevented the use of the established procedure of competitive bidding for the procurement of logistical support services for UNAMIR. First of all, as in the case of contingents, such services were usually provided by Member States. However, in Rwanda, as in Somalia, that had not been possible. The Secretariat had therefore decided, bearing in mind the specific requirements of the Mission and in the light of the results provided by the Brown and Root Services, to hold a "standard" competitive bidding procedure for the award of that contract. However, the difficulties identified at that stage by the Office of Legal Affairs and the Department of Administration and Management had hindered the process. Those difficulties - which were currently about to be resolved - were due in large part to the Secretariat's lack of experience: accustomed to concluding contracts for set amounts, the Secretariat had had to adapt to a different procedure based on general specifications relating to the services to be provided. Such a readjustment had entailed additional work. The Secretariat was currently preparing to invite tenders for services to be provided in Somalia, Rwanda and, if necessary, Angola and Haiti. It therefore hoped that in future it would be able to improve its performance in providing logistical support for missions.

20. Mr. ROESCH (Germany), speaking on behalf of the States members of the European Union, said that they had played a leading role in humanitarian assistance to Rwanda and had contributed substantially to the relief operations. They subscribed on the whole to the recommendations of the Advisory Committee but reserved the right to request additional information and clarification during the informal consultations, particularly with regard to abandoned equipment and humanitarian activities. While taking note of the Advisory Committee's comments in paragraphs 40, 41 and 42 of its report, they stressed the importance they attached to compliance with the procedure of competitive

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bidding for procurement and intended to take that question up again when the Committee considered agenda item 132. With regard to the cost estimates for the period from 10 December 1994 to 9 December 1995, the amount recommended by the Advisory Committee might prove inadequate; that was another point that would no doubt require further discussion during the informal consultations. On the other hand, the cost estimate for the current period (5 April to 9 December 1994) would appear to be satisfactory, to judge by the modest reduction recommended by the Advisory Committee. It was therefore to be hoped that a draft resolution on the question could be adopted rapidly.

21. Ms. ROTHEISER (Austria) said that she would confine herself to preliminary remarks for the time being. Her delegation in general endorsed the Advisory Committee's recommendations and, in particular, shared its concern about procurement for contractual services expressed in paragraphs 40 to 45 of its report. Her delegation would appreciate a more thorough explanation from the Secretariat as to the exact reasons for contracting services from a private company without competitive bidding, despite the assurances given by the Controller. In the course of the current session, her delegation would discuss United Nations procurement policy and practices in detail.

22. The late issuance of the financial performance report for UNAMIR I and the submission of incomplete cost estimates that had had to be updated subsequently were unfortunate occurrences that jeopardized the work of the Advisory Committee and unnecessarily prolonged the procedure for the consideration and approval of the budget estimates. That should not become standard practice. Her delegation noted with satisfaction that, according to information provided by the Controller, the Secretariat intended to improve the presentation of the budget estimates for peace-keeping operations.

23. Mr. SHARP (Australia) said that it was impossible for the Secretariat to furnish the many different budget estimates expected of it in time. The issuance of vital documents such as the financial performance reports for UNAMIR I suffered accordingly. In any event, it would be necessary, during the informal consultations, to review in greater detail the commitments recommended by the Advisory Committee for the period from 10 December 1994 to 9 December 1995: at first sight, the 50 per cent reduction proposed by the Committee seemed somewhat excessive.

24. Mr. CHATALA (Zambia) said that he was concerned to note that the planned deployment of military personnel (5,500 persons) had been delayed. UNAMIR played a crucial role in the restoration of peace and stability in Rwanda and in confidence-building, which were essential in order to facilitate the return of the populations that had fled the country and to avert a recurrence of the disaster; it was thus important to provide the Mission with all the support and resources it needed. In the circumstances, it might be dangerous at the present juncture to give priority, as the Advisory Committee appeared to wish to do, to the humanitarian role of UNAMIR over its strictly military function and its security mandate. Such a shift in emphasis seemed premature, to say the least.

25. That being said, his delegation generally endorsed the Advisory Committee's recommendations, with regard to both the cost estimates for the period from 5 April to 9 December 1994 and the estimates for the period after 10 December 1994. Since it was difficult to foresee how the situation would later evolve, however, he thought it preferable to avoid for the time being too large a reduction in the expenditure proposed by the Secretary-General. His delegation would take part in the informal consultations on that question. He also felt it necessary to consider the problems common to UNAMIR and other peace-keeping operations in the light of the proposals contained in document A/48/945, in order to find solutions that would facilitate the Organization's task in any future missions it might undertake.

26. Mr. BEN HAMIDA (Tunisia), while welcoming developments in the field, said that the United Nations should maintain its support in order to facilitate a return to normal life in Rwanda. While the humanitarian dimension was important, it should not cause the "security" aspect to be reflected. His delegation was therefore surprised at the Advisory Committee's proposal that the costs estimated by the Secretary-General for the period beyond 9 December 1994 should be reduced by 50 per cent. It would give that proposal further consideration and hoped to receive clarification during the informal consultations.

27. Mr. MAIGA (Mali) said that he, too, was concerned about the substantial reduction in estimated costs recommended by the Advisory Committee. He also associated himself with the concerns expressed about the failure to comply with the competitive bidding procedure, stressing that procurement should proceed in accordance with the relevant provisions of the Financial Regulations. Another cause of concern was the Advisory Committee's recommendation that the number of local staff should be reduced. The importance of local personnel for the success of the Mission was well known. Mali, which contributed contingent personnel to UNAMIR, intended to keep the matter under careful review, and his delegation would consequently take up those various issues again during the informal consultations.

28. Mr. ABIOLA (Nigeria) said that he welcomed the international community's efforts to restore peace and security in Rwanda. While appreciating the reasons why the Advisory Committee was recommending a reduction in the scale of the operation, he urged that the United Nations effort and presence should be maintained at the levels recommended by the Secretary-General until the situation in Rwanda had fully returned to normal.

29. Mr. MONGELLA (United Republic of Tanzania) said that his country attached particular importance to the question of Rwanda and would join in efforts to reconcile the Secretariat's proposals and the Advisory Committee's recommendations to reduce the costs by almost half. Although it was true that there were many outstanding questions concerning peace-keeping operations that called for long-term solutions, the financing of UNAMIR should not be penalized because of those more general problems.

30. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), responding to questions and requests for clarification, said that the question of the financing of peace-keeping operations had become extremely complicated and represented an increasingly heavy burden for the Advisory Committee and the Fifth Committee. In such circumstances it was quite understandable that some delegations had difficulty in analysing in depth the bulky documents made available to them just before they were discussed, hence the need for clarifications and supplementary explanations.

31. With regard to the number of local staff, the Advisory Committee had not recommended, in paragraph 23 of its report, any reduction. As for the possibility that the emphasis in UNAMIR activities might be shifted from purely military security-related tasks to the support of humanitarian operations, that did not involve any recommendation of the Advisory Committee - which, in any event, was not competent to make such recommendations. The phrase quoted in paragraph 8 of the Advisory Committee's report had been taken from the report of the Secretary-General to the Security Council (S/1994/1133), and it was for the latter to review the question, which had not entered into the formulation of the Advisory Committee's recommendation.

32. In more general terms the Advisory Committee did not wish its recommendations to hinder the operation in Rwanda, and, therefore, it had not recommended a 50 per cent cut in the budget. The appropriation recommended by ACABQ to the General Assembly, namely \$163,101,700 gross, was close to the amount of \$180,574,300 gross proposed by the Secretary-General in paragraph 15 (a) of his report (A/49/375/Corr.1) - the difference was nowhere near 50 per cent.

33. In fact it would appear that there had been confusion on the part of some delegations with the recommendation contained in paragraph 50 of the Advisory Committee's report relating to the period beyond 9 December 1994. On the one hand it was not known at present when those cost estimates would be considered. On the other hand the Secretary-General had submitted, in document A/48/945, proposals which, if adopted, would have an impact on the cycle for the formulation of peace-keeping budgets. The Advisory Committee was thus not in a position to make a recommendation on the cost estimates for UNAMIR for the period 10 December 1994 to 9 December 1995. It had confined itself to recommending on a provisional basis the monthly amount in respect of which the Secretary-General should be given commitment authority should the Security Council decide to extend the mandate of the operation beyond 9 December 1994. That monthly amount had been calculated on the basis of the appropriation recommended for the preceding period, namely \$163.1 million for eight months. If the start-up costs, which, according to information provided by the Secretariat, had amounted to \$79.3 million, were deducted, there remained \$83.8 million in recurrent expenditure, namely, dividing by 8, \$10.5 million per month. It was in respect of that latter amount that the Advisory Committee was recommending that the Secretary-General should be authorized to enter into commitments beyond 9 December 1994. Should the Secretariat conclude that certain start-up costs would recur, they would need to be added back.

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34. Mrs. PERREAULT (United States of America) reaffirmed her delegation's firm support for the Mission. It approved the Advisory Committee's report and considered the recommended cost reductions to be justified.

35. Mr. CHABALA (Zambia) explained that, in raising the question of the shift in emphasis in the Mission's activities, his intention had been to caution against any attempt to base the cost estimates on that eventuality. Such an approach would be premature in view of the unstable political situation. Moreover, he sought clarification with regard to the final sentence of paragraph 23 of the Advisory Committee's report in which he clearly saw a recommendation that the number of local staff should be reduced.

36. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's recommendation was not to reduce the number of local staff. The Secretary-General should review the staffing with a view to a possible reduction, but the Advisory Committee would take his conclusions into account, whatever they were.

37. Mr. TAKASU (Controller) said that the cost estimates for the current period took account of the variation in the number of military personnel, from a mere 350 at the beginning to some 5,000 now. Since the number was to be increased to 5,500 after December 1994, the corresponding cost estimates were based on a very much larger staffing table than the average for the previous period. It was for that reason, and not because there would again be start-up costs, that the cost estimates for the period beyond 9 December 1994 were higher than for the current period. Furthermore, the Mission made ample use of local staff, who were of invaluable assistance to it. The Secretariat would review the question, as the Advisory Committee had requested, and would submit its conclusions in due course.

38. Mr. ALOM (Bangladesh) said that his delegation was fully in favour of continuing the Mission but had some reservations as to the cost estimates for the period beyond 9 December 1994. On the whole, it shared the views expressed by the Advisory Committee, particularly in paragraphs 24, 26 (c) and (f), 34, 36 and 46 of its report.

39. The staffing question was a particularly important one. It could be seen from annex XIV to document A/49/375 that there were a number of unnecessary posts: he wondered why there was provision for a Special Assistant at the P-5 level, when the post could be entrusted to a P-2 officer; why there were two Political Affairs Officers at a time when the emphasis had shifted to other more important activities; and whether, given the other posts provided for in the Office of the Director of Administration, the post of Senior Administrative Officer was necessary. Similarly, he wondered whether it would not be possible for the Chief of the Office for the Coordination of Humanitarian Assistance to discharge the duties assigned to that Office without the help of two other officers; and whether it would not be possible to reduce the number of posts in the Office of the Chief of Logistics Control.

40. His delegation fully appreciated the Secretariat's efforts at streamlining and the results which had been achieved in some sectors, but it felt that more should be done and that some items of expenditure could be reduced, for instance in respect of civilian personnel (both international and local), transport operations and miscellaneous services. It was not a question of jeopardizing the functioning of the Mission but of ensuring the optimum allocation of funds.

41. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee had concluded the general debate on agenda item 130.

42. It was so decided.

The meeting rose at 12.05 p.m.

UNITED NATIONS
General Assembly
FORTY-NINTH SESSION
Official Records

FIFTH COMMITTEE
9th meeting
held on
Monday, 24 October 1994
at 10 a.m.
New York

SUMMARY RECORD OF THE 9th MEETING

Chairman:

Mr. TEIRLINCK

(Belgium)

Chairman of the Advisory Committee on Administrative
and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 105: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL
FUNCTIONING OF THE UNITED NATIONS

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29 November 1994
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The meeting was called to order at 10.20 a.m.

AGENDA ITEM 105: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (A/49/16 (Part II) and A/C.5/49/1)

1. Mr. CONNOR (Under-Secretary-General for Administration and Management) recalled the principles that had guided the establishment of the system of accountability and responsibility described in the documents that had been distributed to delegations. The system included the four elements mentioned in General Assembly resolution 48/218. The objective of the system was to create a mission-driven and result-oriented organization in which the Secretariat and the intergovernmental bodies not only interacted but, since they enjoyed mutual confidence, were capable of performing their respective functions.
2. The Secretariat had defined a framework for what would be the most radical reform ever undertaken by an organization to change its management methods. In particular, the process of assigning responsibility, delegating authority and ensuring accountability would represent a flow of interrelated actions towards the achievement of clearly defined objectives. An established set of procedures would ensure adequate monitoring and control. The chart annexed to the Secretary-General's report (A/C.5/49/1) illustrated that mechanism. Programme managers who would be held accountable for delivery of related outputs must also be entrusted with corresponding resources and given authority commensurate with their level of responsibility and accountability. Finally, the system would cover all staff at every level and at all duty stations and missions.
3. The responsibility for administering the Organization was entrusted to the Secretary-General and then assigned, through the hierarchy of the Secretariat, to senior officials and programme directors, the officers whom they supervised and, finally, to all other staff. Managers must have the human and financial resources and the corresponding authority to carry out the tasks entrusted to them - authority being the legitimate power delegated to each established position of management. The outcome, whether satisfactory or not, would be attributed to the efforts of the person to whom the task had been assigned. Accountability for the resources provided would be established in direct proportion to the responsibility assigned and the authority delegated.
4. Mr. SEVAN (Assistant Secretary-General for Conference and Support Services) introduced the measures that the Secretariat had taken or was planning to take following its in-depth consultations with all heads of departments, offices, programmes and regional commissions, both at Headquarters and elsewhere, and staff representatives. In his report, the Secretary-General emphasized that the concept of accountability and responsibility would include all fields of activity, not only financial management, and would apply to all staff members. The new system also emphasized the Department of Administration and Management's role in providing administrative support.
5. The establishment of an effective, integrated system was based on the following premises: responsibility for achieving strategic imperatives must be

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clearly defined at all levels; the mandates and guidelines must be clear; the legislative norms defining the statutory and organizational framework of the Organization must also be clear, comprehensible and up to date; and information and policy guidance should be communicated to officers verbally or in writing.

6. Far too often, no one paid any heed to reports and programmes that had been adopted. That was particularly true of the medium-term plan: once that very important document was adopted, not much reference was made to it until the preparation of the programme budget. Moreover, the programme budget was not the reference document that it should be. Aware of that situation, the Secretariat had prepared a prototype of a new format of the medium-term plan, which had been submitted to the Advisory Committee and the Fifth Committee in document A/49/301. The proposed programme budget outline for the biennium 1996-1997 (A/49/310) reflected the continuing efforts that were being made to improve the content of that document and the programme budget. The Secretary-General wished to make the programme budget a real tool to which all programme directors could refer in order to determine what resources were available to them; sometimes they tended to run at high speed without bothering to check how much gas remained in their tank. They would soon be receiving guidelines that would help them prepare the draft programme budget for the biennium 1996-1997. The Secretary-General would ensure that budget papers were issued on time to the Advisory Committee and all other competent intergovernmental bodies.

7. Other measures that would also be taken before 1 January 1995 included the definition of the statutory and organizational framework of the Organization. With regard to procurement, the Department of Administration and Management and the Department of Peace-keeping Operations had decided to request an independent high-level group of experts from Member States to review current procedures. The goal was to establish a competitive, fair and transparent system of procurement that would help develop the capacity to screen, evaluate and monitor contractors. In the view of increasing procurement needs, consideration was being given to the possibility of establishing a full-time contracts committee. Finally, there were plans to provide training for procurement officers.

8. The Secretariat was currently revising the format of the Organizational Manual and preparing a new organizational chart that would reflect the restructuring. A new telephone directory had just been issued. A number of circulars by the Secretary-General and administrative instructions were currently being revised.

9. With regard to the provision of information and policy guidance, the Secretary-General had established a Task Force on Operations and convened periodic meetings of senior managers in the economic and social field. In 1994 he had established an Advisory Panel on Management and Finance which met at least once a month and also held special meetings on such subjects as the accountability and responsibility system or the outline of the programme budget. The senior officials responsible for the budget and personnel and executive officers at Headquarters had also held monthly meetings to ensure smooth administrative backstopping for the Organization's work programme. Workshops had also been organized in 1994 in individual units to clarify their mission,

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objectives, division of responsibilities, priorities, constraints and challenges. Lastly, a new performance appraisal system had been introduced on an experimental basis.

10. In 1995 the Secretariat would take further steps to improve the system: establishment of a closer relationship between programmes and the allocation of budgetary resources under the proposed programme budget for 1996-1997; review of the Regulations and Rules Governing Programme Planning, and updating of the Organizational Manual, the Personnel Manual, the Financial Manual and the "Code of Conduct" for international civil servants.

11. Managers and staff had to understand fully the authority given to them in order to carry out their responsibilities effectively. It was essential for directors, senior managerial staff and management in general to have access on a routine basis to precise and up-to-date information on the volume and deployment of the resources at their disposal. It was also important to strike an appropriate balance between the need for central control and coordination and the requirement that heads of units should have control over the resources appropriated to their programmes. Managers should be empowered to take decisions on the use of approved resources and on programme implementation at their level. Appropriate training was needed in order to enable programme managers to exercise authority judiciously and staff members to carry out their functions effectively and efficiently.

12. A number of measures would be adopted in those areas by 1 January 1995. Financial and human resources management tools would be distributed to managerial staff according as they became available through the Integrated Management Information System. A working group would be established to review the question of delegation of authority at Headquarters and, in the light of preliminary findings, at offices away from Headquarters. The rules and procedures governing the delegation of authority in the area of personnel administration, finance and procurement to peace-keeping and other field operations would be reviewed as a matter of priority. In the area of human resources management, a less rigid series of rules would be devised for the recruitment and administration of staff on contracts of limited duration, particularly for peace-keeping and other field operations. Managers had to be clear about the extent of their authority to make decisions. The Advisory Panel on Management and Finance was preparing to address the question of defining the authority of staff members at the D-1 and D-2 levels. The persons concerned were already required to prepare a management plan every six months for transmission to the Executive Office of the Secretary-General. That provision would subsequently be extended to staff members at other levels. With the help of that mechanism, the Secretariat could establish performance indicators in relation to time-limited objectives. The new system also attached considerable importance to the training of programme managers, supervisors and the staff as a whole.

13. Circulars, administrative instructions and other documents concerning the delegation of authority were to be published in 1995. A mechanism would be established to facilitate and monitor the decentralization of authority to

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offices away from Headquarters, starting with peace-keeping operations. Lastly, appropriate mechanisms would be established at all levels to ensure accountability.

14. As the Secretary-General had stated in his report, an effective system of accountability and responsibility depended on the clarity of objectives and rules, resulting in a clear mission statement for the Organization from which its strategic imperatives could be derived. The large number of existing legislative instruments made it difficult - at times, impossible - for the Secretariat to ensure that their directives were consistently and properly applied. Managers and staff currently wasted considerable time that could have been spent on programme implementation dealing with the plethora of legislative instruments and the increasing number of reports demanded. The time had come to carry out a thorough review of the Organization's legislative instruments with a view to simplifying and clarifying them. A straightforward and coherent body of legislative norms should be established to assist managers in improving the running of the Organization's activities.

15. Mr. SINGH (India) noted that the objectives described in the Secretary-General's report were identical to those that had led to the establishment of the Committee for Programme and Coordination. He welcomed the initiatives taken by the Secretariat to improve the functioning of the Organization but considered that only the effective application of a system of rewards and penalties would enable the desired results to be achieved.

The meeting rose at 10.55 a.m.

UNITED NATIONS
General Assembly

FORTY-NINTH SESSION

Official Records

FIFTH COMMITTEE
10th meeting

held on
Monday, 31 October 1994
at 3 p.m.
New York

SUMMARY RECORD OF THE 10th MEETING

Chairman:

Mr. TEIRLINCK

(Belgium)

Chairman of the Advisory Committee on Administrative
and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 105: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL
FUNCTIONING OF THE UNITED NATIONS (continued)

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND
REPORTS OF THE BOARD OF AUDITORS

ORGANIZATION OF WORK

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The meeting was called to order at 3.25 p.m.

AGENDA ITEM 105: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/49/16 (Part II), A/49/34, A/49/48, A/49/336, A/49/418, A/49/471 and Corr.1 and A/49/560; A/C.5/49/1)

1. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that the Secretary-General's report on the review of the efficiency of the administrative and financial functioning of the United Nations (A/49/336) focused on the impact of the restructuring measures adopted at Headquarters and of the redeployment of activities and resources undertaken both at Headquarters and other duty stations. The report, which was based on consultations held within the Secretariat and on the deliberations of the Advisory Panel on Management and Finance and of meetings of senior officials in the economic and social fields, provided an initial overall assessment, together with a department-, office- or unit-specific analysis.

2. It was possible at the current stage to determine whether the measures taken were producing any results and had made it possible to achieve the stated objectives. However, it was not a final assessment, since the measures had been in force for a relatively short period of time. As a result, the aim of the preliminary assessment was to determine whether the restructuring was aimed in the right direction. In addition, an effort had been made to introduce the first elements of a qualitative assessment of the effects of the restructuring as evaluated individually and collectively by programme managers. As experience was gained, a clearer picture would emerge of the benefits and lacunae of restructuring. In the first instance, a more precise assessment of the process should be possible at the end of the current budgetary period.

3. The overall objective of the restructuring was to make the Secretariat more effective. To that end the Secretary-General had identified distinct aims for the different sectors. In the political and humanitarian sectors the thrust was to consolidate and streamline the relevant Secretariat units and enhance the Organization's capacity for preventive diplomacy, peacemaking and peace-keeping.

4. In the economic and social sectors the thrust was to build a unity of purpose for the economic, social and environmental sectors of the Organization and to enhance the overall coherence of programmes; to strengthen linkages between those sectors and the political and humanitarian sectors; to define more clearly which development and cooperation tasks should be carried out by the Organization itself or within the United Nations system of specialized agencies and institutions; to achieve a more rational distribution of responsibilities between Headquarters and the United Nations Offices at Geneva, Nairobi and Vienna, on the one hand, and between global, regional and field structures, on the other; and to establish clear lines of responsibility in a simpler structure. With a view to achieving the objectives of those sectors, special emphasis had been placed on a better integration of the economic and social dimensions of development, on eliminating duplication, and on promoting an integrated approach in the interrelated fields of trade, finance, investment and

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technology. In addition, in order to establish the new structures at Headquarters, activities had been relocated and redistributed both to and away from Headquarters.

5. Lastly, the objective for the administration and management sector was to achieve an integrated, streamlined department with clear lines of responsibility, and to establish internal oversight services.

6. Mr. SEVAN (Assistant Secretary-General for Conference and Support Services) said that over the past 49 years the components of the Organization had increased and mushroomed, often without any coherence. Often, when a structure had been found to be defective, the tendency of Member States had been not to fix it, but to create a new one. That had resulted in a situation that was so confusing that at times it was impossible to determine who was doing what. Obviously, the Secretary-General had had to take urgent steps to consolidate and streamline Secretariat services in order to ensure a more effective response to the priorities set by Member States.

7. The 10 main objectives of the restructuring were set forth in the annex to the Secretary-General's report (A/49/336). With a view to achieving the first objective, namely, to make the Secretariat more effective in responding to the priorities set by Member States, a new prototype medium-term plan providing congruence of programmatic and organizational structures had been developed (A/49/301). That would make it possible to establish subsequent linkages with budgetary control and financial accountability.

8. In order to consolidate and streamline Secretariat services at Headquarters and enhance the Organization's capacity for preventive diplomacy, peacemaking and peace-keeping, new structures were already in place (the Department of Political Affairs, the Department of Peace-keeping Operations and the Department of Humanitarian Affairs), while the Field Operations Division had been strengthened, thereby enabling the Organization to cope with the increase in operations in that area. The Secretary-General had repeatedly stated that the Organization must view its objectives in respect of economic and social cooperation and development with the same sense of responsibility and urgency as its commitments in the political and security areas.

9. The objective in the economic and social sectors was to build a unity of purpose for the economic, social and environmental sectors and enhance the overall coherence of United Nations programmes and activities. Towards that end, considerable policy clarification was taking place. That was a complex process that would take time. Greater synergies between separate programmes had been established. Clarification of some intergovernmental mandates was still required.

10. Another objective was to strengthen linkages between the economic and social sectors, on the one hand, and the political and humanitarian sectors, on the other. That matter was being considered in various forums, including the Administrative Committee on Coordination. The issue was also addressed in An Agenda for Development (A/48/935). There was evidence that coordination in

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complex emergencies was, on the whole, improving. However, linkages between peace-keeping operations, emergency assistance, rehabilitation and development would require further study and effort to translate concepts into action.

11. Another objective was to define more clearly those development and cooperation tasks which should be carried out by the Organization itself and within the United Nations system of specialized agencies and institutions. The tasks to be undertaken by the Secretariat vis-à-vis the rest of the United Nations system had been clarified in several respects.

12. Yet another objective was to achieve a more rational distribution of responsibilities between Headquarters and the United Nations Offices at Geneva, Nairobi and Vienna, on the one hand, and between global, regional and field structures, on the other. For example, the Centre for Science and Technology for Development and the Centre on Transnational Corporations had been transferred from New York to UNCTAD, and the Social Development Division and the Division for the Advancement of Women had been transferred from Vienna to the Department for Policy Coordination and Sustainable Development. Those steps were already having a positive impact on programme delivery. Decentralization to the regional commissions had been initiated, but the impact had yet to be determined.

13. The Secretary-General's objective was to establish clear lines of responsibility in a simpler structure and to eliminate duplication and solve the problem of coordination. The Administrator of UNDP had recently been entrusted with the task of assisting the Secretary-General in enhancing policy coherence within the United Nations and overall coordination of operational activities.

14. With regard to the objective of the reorganization of the Department of Administration and Management into an integrated, streamlined department with clear lines of responsibility, the basic elements of a new structure were in place, and efforts had been initiated to improve "management culture" through the introduction of a system of accountability and responsibility, which was a necessary precondition for the transition to a decentralized mode of operations.

15. The Office for Inspections and Investigation had been created in September 1993; it had subsequently been incorporated into the Office of Internal Oversight Services, pursuant to General Assembly resolution 48/218 B of 29 July 1994. The impact of the consolidation of all investigation, audit, inspection and evaluation functions in one office was likely to be apparent at the end of the current budget period.

16. In its resolution 47/212 B, the General Assembly had noted that the restructuring of the Secretariat in the economic and social sectors would, inter alia, entail the decentralization of activities to the regional commissions on the basis of clearly identified relative advantage. On the basis of the recommendations of a task force established to review possible decentralization measures to strengthen the regional commissions, a redistribution of resources for advisory services had been proposed in the programme budget for the biennium 1994-1995. As a result, the resources

assigned to the regional commissions under section 20 (Regular programme of technical cooperation) of the programme budget had increased by some \$10 million compared with the previous biennium and there had been a corresponding decrease in the resources for central programmes.

17. Another area identified for decentralization related to the programme on energy and natural resources. The outcome of the consultations which had taken place in that regard was reflected in the proposals of the Secretary-General (A/C.5/48/76) which the General Assembly had endorsed in resolution 48/261. The aforementioned task force had also reached the conclusion that other activities in areas such as social development, population, poverty alleviation, economic cooperation among developing countries, statistics, economic analysis and marine affairs, although they did not necessarily require a reallocation of resources, would benefit from a more effective division of labour.

18. The regional commissions themselves were implementing reform measures aimed at making regional activities more responsive to the needs of Member States. While the reforms were dictated by the specific needs of each region, as perceived by Member States in the respective commissions, their general thrust was to achieve a better distribution of responsibilities, more focused work programmes and a simplification and rationalization of the intergovernmental subsidiary machinery of the commissions.

19. For two decades, the growth of the two United Nations programmes based in Nairobi had been purposeful but not always fully coordinated. That had resulted in the development of parallel administrative structures which had detracted from the original intent of the General Assembly when it had established the programmes, did not encourage cooperation between them and did not facilitate the servicing of other Secretariat activities which required administrative support at Nairobi. In 1993, therefore, the Secretary-General had initiated a number of measures aimed at enhancing coherence in the management of the United Nations Environment Programme (UNEP) and the United Nations Centre for Human Settlements (Habitat), while retaining the identity and programmatic focus of each. An additional aim was to develop an organizational structure that could accommodate other long-term and temporary functions of the Secretariat at Nairobi.

20. Under present plans, the common services of the two entities would include, in addition to a joint human resources management service, common conference services, finance operations and general support services. At the programme level, enhanced collaboration between UNEP and Habitat was producing good results in several areas. That had been evident, for example, in their joint efforts in support of the Global Conference on the Sustainable Development of Small Island Developing States, the Commission on Sustainable Development and the Task Force on the Continuum from Relief to Development. That collaboration between UNEP and Habitat should serve to enhance the development of a comprehensive approach to the interdependent issues of environment and human settlements and further the overall objective of sustainable development. The administrative reforms would also contribute to a more efficient use of resources and more coherent management in both entities, and would provide the

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foundations for a stronger United Nations presence in Nairobi and in Africa in general.

21. The United Nations Office at Vienna had undergone a major restructuring which had not yet been completed. As had been noted, the Division for the Advancement of Women and the Social Development Division had been redeployed to New York. The United Nations Office at Vienna now included the Office for Outer Space Affairs and responsibility for legal matters related to the Commission on the Peaceful Uses of Outer Space. It also included the Crime Prevention and Criminal Justice Branch; the Division of Administrative and Common Services; the International Trade Law Branch of the Office of Legal Affairs; and the United Nations Information Service of the Department of Public Information.

22. The rationalization of the joint and common services shared by the United Nations, the United Nations Industrial Development Organization and the International Atomic Energy Agency (IAEA) had been initiated in 1992 with an agreement between the United Nations and IAEA for the provision of interpretation services to the Agency by Conference Services of the United Nations Office at Vienna.

23. The assessment of the impact of the restructuring measures introduced in Vienna must include the important decision to consolidate three drug control units into a single programme, the United Nations Drug Control Programme. After some initial difficulties, the programme implementation rate had risen from 73.9 per cent in 1990-1991 to 80.2 per cent in 1992-1993, reflecting the growing effectiveness of the integration process.

24. The relocation of the Office of Outer Space Affairs to Vienna had also resulted in some initial difficulties, but they had been rapidly overcome. The relocation of the Office to Vienna had substantially improved cooperation between it and various national and international agencies located in Europe. It had also opened up the possibility of cooperation with the United Nations International Drug Control Programme in integrating the use of space technology into drug control activities. The restructuring of administrative arrangements at Vienna had not yet been completed, but the adjustments that had been introduced in conference-servicing arrangements had resulted in economies during the biennium 1992-1993 through reduced administrative overheads and better utilization of the established capacity. The consolidation process would continue during 1994. Further activities and responsibilities that would benefit from relocation to Vienna would be identified and arrangements for the administration of activities at Vienna would be kept under review so as to ensure an appropriate balance between accountability and authority and achieve the highest level of efficiency.

25. In conclusion, he said that the report of the Secretary-General had presented an initial assessment of the restructuring of the Secretariat. The aim of the restructuring was to enhance and improve the Organization's ability to meet the strategic objectives and priorities established by Member States, while creating and introducing simpler, streamlined structures to support the basic functions of the Organization in meeting those objectives. It was against

these objectives and priorities that the new structure should be evaluated. The provision of guidance by Member States was therefore crucial.

26. To have real impact and lasting results, the Secretariat restructuring should also go hand in hand with the restructuring of the intergovernmental machinery so that additional positive synergies with Secretariat restructuring might be achieved. It was also important that Member States, in acting in various United Nations forums, should maintain the perspective of the Organization as a whole. Member States had a responsibility to ensure, through enhanced coordination at the national level, that the changes in mandates in response to changing priorities did not lead to duplication or detract from overall coherence.

27. Restructuring in the United Nations should be regarded as a process rather than as an event. Periods of reform must alternate with phases of consolidation. The Organization collectively must bridge the growing gap between mandates and resources if the reform effort was to be sustained and if its programmes, as well as the credibility of the Organization, were to be supported and carried forward. It was no longer possible for the Secretariat to carry out increased and often complex mandates simply through redeployment or within existing resources, as it was repeatedly requested to do.

28. The measures introduced by the Secretary-General were timely and necessary, and had enhanced the Secretariat's effectiveness in responding to the priorities established by Member States. The Secretariat was committed to give Member States the best services, effectively and efficiently, and had already demonstrated that it could even improve its efficiency in times of financial crisis.

29. Mr. ABRASZEWSKI (Chairman, Joint Inspection Unit), introducing the report of the Joint Inspection Unit (A/49/34), said that he wished to refer first to the question of strengthening and improving the effectiveness of the external oversight mechanisms. The Joint Inspection Unit believed that support, leadership, guidance and targeting from intergovernmental and, in the first instance, from the main legislative bodies, were conditions sine qua non for an effective external oversight mechanism. Intergovernmental bodies needed to devote attention to the external oversight units and must be willing to lead, guide and target them on issues which were of major importance to Member States, and to the efficient functioning of the organizations. It was of paramount importance that Member States should give a clear message that the external oversight organs enjoyed their real support and were exercising oversight functions on their behalf. Only then would a proper environment be created for a meaningful role of the external oversight organs.

30. Clear formulation of the mandates and functions of oversight bodies, plus elimination of ambiguities which might arise in the interpretation of those functions by controlled units, was crucial. Equally important were the material means, both human and financial, to support oversight units. Particular attention should be paid to ensuring that those who were appointed to oversight functions possessed the necessary high professional qualifications and

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experience and that their professional careers were not adversely affected. That was related, in particular, to the need to secure the independence of the staff serving those entities. A correct interpretation of their status should be that such staff were appointed by the Secretary-General - and that the Staff Regulations and Staff Rules of the United Nations applied to them - but they were working for and accountable to the oversight body to which they were assigned.

31. More attention should be devoted to developing practical cooperation and coordination among external oversight organs. That cooperation should be defined more precisely; it should be seen as more than mere avoidance of overlap and duplication. Oversight organs should develop the practice of undertaking complementary projects, and should also consider implementing larger and complex oversight projects with agreed and shared responsibilities. What was needed was to move from the current approach of stressing and protecting the independence of each oversight body and their separate mandates and functions, and to develop a culture of positive cooperation among those bodies.

32. The Unit's experience and analysis of the current situation revealed a general weakness of external oversight mechanisms, namely that compliance and follow-up of their recommendations was fragmented and weak. Thus, a system of compliance and follow-up efficient and transparent to all concerned seemed to be a necessary requirement in order to strengthen external oversight mechanisms and further their effectiveness.

33. The functions performed by the Office of Internal Oversight Services should include compliance with and follow-up of recommendations emanating from external oversight bodies. The Office should act as a focal point in those matters for the whole of the Secretariat and compliance should be part of its reporting procedure. Consequently, the Unit recommended that the Office should develop appropriate procedures and rules to implement such compliance and follow-up functions, and should report thereon. The Unit would be happy to advise on such internal rules and procedures. A corollary was the broader question of cooperation and relationships between external and internal oversight mechanisms which, although different, could develop practical cooperation and maintain efficient operational relationships. In that context, the Unit drew attention to its report on "accountability and oversight in the United Nations Secretariat" (A/48/420, annex), and to the provisions of General Assembly resolution 48/218.

34. The Unit supported the views expressed by the Chairman of the Panel of External Auditors and the United Nations Board of Auditors on the different nature, roles and functions of the external and internal audit and oversight mechanisms in general and agreed that strong and independent external audit and oversight functions should be at the core of the accountability arrangements of the United Nations (A/48/876, annex). That was why the Unit wished to stress that its statutory role and functions should continue much as they were.

35. In its resolution 48/221, the General Assembly had reaffirmed the statute of the Unit as the only independent, system-wide inspection, evaluation and

investigation body. The Unit believed that the further enhancement of its work would require concerted effort and interaction among Member States, participating organizations and the Unit itself. Member States, through the legislative organs of the participating organizations, should consider ways and means by which they could give greater attention, leadership, guidance and targeting to the Unit to enhance its work and accountability. They could undertake a review each year of the proposed programme of work of the Unit and decide on specific activities which should be inspected, investigated and evaluated by the Unit with a corresponding order of priority.

36. The participating organizations, for their part, taking into account the provisions of General Assembly resolution 48/221, could invite the Unit to participate in their deliberations when they were considering the Unit's reports. Such direct interaction with the Unit on specific issues of interest to the participating organizations concerned would ensure a thorough review and effective follow-up of the Unit's recommendations. All executive heads of the participating organizations should regularly submit to their respective legislative bodies and/or the General Assembly detailed reports on the implementation of those recommendations.

37. While calling for guidance and support from Member States, the Unit was at the same time fully aware that it needed to earn such support through the relevance of its work and its meaningful contribution to improving the management efficiency of the United Nations system. During the reporting period, the Unit had made serious efforts to enhance its productivity and performance. As reflected in paragraphs 21 through 43 of its report (A/49/34), the Unit had increased substantially the number of reports produced, and they were better focused on important concerns of Member States and the secretariats of participating organizations; introduced a more comprehensive programme of work, which would include new orientations such as peace-keeping; expanded its dialogue and consultations with Member States and with the participating organizations; and improved its programming methods, particularly through more equitable distribution of topics for reports within the four priority areas, better reflection on the needs and concerns of the participating organizations, more cohesive long-term planning, the establishment of a roster of studies, more scrutiny in the choice of topics for reports and the implementation of measures for internal improvement.

38. In establishing its work programme, JIU would give priority to requests and suggestions for reports on inspection, investigation and evaluation. Furthermore, it was seeking to adopt measures to improve follow-up on the implementation of its recommendations. In particular, it would use information technology to establish a complete and efficient database and to keep track of its past reports and recommendations, which would also have a direct impact on the Unit's productivity.

39. In future reports, JIU would more actively pursue cost-saving measures for Member States and participating organizations. It would accordingly ensure that its reports gave adequate statements of the financial implications of any recommendations that could result in cost savings and drew attention to

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situations that might require additional resources. It would also include action-oriented recommendations, indicating clearly by whom, how and when, and at what cost they were to be implemented, and it would use comparative tables and graphics. Moreover, the internal study it would make of its operational rules and procedures would enhance inspection and evaluation of specific fields of activities carried out by the United Nations and other participating organizations, as requested in resolution 48/221.

40. Mr. SY (Chairman of the Ad Hoc Intergovernmental Working Group of Experts established pursuant to General Assembly resolution 48/218 A) said that, as indicated in its report (A/49/418), the Working Group had conducted an in-depth study on all the matters it had decided to take up, with effective inputs from the representatives of the Secretary-General and the various internal and external oversight bodies. The Working Group had sought to determine the magnitude of alleged cases of fraud in order to assess their actual impact on the management of the Organization's resources, funds and property, study its root causes and propose not only solutions in such cases but also preventive measures to avoid their repetition in future. After concluding its study, the Working Group had reached the conclusion that the cases of presumptive fraud brought to its attention had not reached overly alarming proportions. The risk that they would increase had, however, persuaded it to go on to review the existing jurisdictional and procedural mechanisms in order to detect possible shortcomings and propose remedial measures, and to make an in-depth study to determine the risk of possible fraud and waste in the activities involved in peace-keeping operations, since they were proliferating and entailed such a large amount of funds and equipment.

41. The Working Group had concluded that procurement for peace-keeping operations constituted a major area where there was risk of possible fraud or other abuse, given the high level of expenditure involved; that, in employing the term fraud, the Secretariat had excluded waste, abuse, property loss or misleading financial information; and that the rules of conduct set out in article I of the Staff Regulations did not apply to members of the peace-keeping troops; the defects and imprecision of the provisions of the Financial Rules governing approval and procurement procedures favoured fraud and an attitude of "washing one's hands"; administrative personnel, particularly those engaged in certifying, approving, disbursing, performing inventory and assets control, inspecting, contracting and procurement functions had not always been given sufficient responsibility or received adequate training in advance; the establishment and functioning of joint disciplinary committees were subject to serious delays, particularly in locations outside Headquarters; Member States whose nationals were guilty of fraud did not give the Organization the needed cooperation in obtaining monetary compensation for damage sustained; and the Statute of the United Nations Administrative Tribunal did not give it jurisdiction to adjudicate claims submitted by the Secretary-General against guilty staff members.

42. Mr. STÖCKL (Germany), speaking on behalf of the European Union and Austria, said that the report on the establishment of a transparent and effective system of accountability and responsibility (A/C.5/49/1) was a tremendous improvement

and inspired more confidence as to the future management of the Organization. Over the years, the European Union had tried to hold the Secretariat to the highest standards of managerial competence. That position, shared by others, had been reflected in numerous consensus recommendations adopted by the Committee for Programme and Coordination (CPC) and in resolutions of the General Assembly. The Secretariat had not always shown a readiness to accept those comments in the spirit in which they had been offered, or to admit that all was not necessarily for the best. It was to be hoped that the report marked the beginning of a new period of cooperation between Member States and the Secretariat.

43. The proposals in the report struck a reasonable balance between decentralization and delegation of authority and responsibility on the one hand and central monitoring and control of resources on the other. Increased responsibility implied increased accountability. A proper system of accountability and responsibility must be based on mandates and directives clearly defined in the medium-term plan and translated into the budget of the Organization. That link between mandates, budget structures and allocations and the system of responsibility and accountability would guide the future work of the Secretariat.

44. Staff members must be held accountable for the results of their work, their actions and the resources entrusted to them. It was extremely important to introduce a performance appraisal system that would allow for recognition of good performance and appropriate action in the case of unsatisfactory performance, mismanagement or wrongdoing. The success of any proposals would also depend on establishing a proper set of objectives at all levels and making the right links between objectives, performance indicators and performance appraisal.

45. The Secretary-General was right in underscoring the difficulty of changing attitudes and well-entrenched bureaucratic habits. Training would have to improve and communication between staff and management must be transparent. Such a long overdue change in management culture and procedures was perhaps more important than the restructuring of the Secretariat. In addition, there was a welcome recognition of the essential role that the Integrated Management Information System (IMIS) would play as a tool for the efficient use of the human and financial resources of the Organization. The new Office of Internal Oversight Services, whose main role should not be that of a policeman or investigator but of an adviser on ways of improving management within the Organization, would play a key role in the new system.

46. Mr. BIRENBAUM (United States of America) said that he enthusiastically endorsed the report of the Secretary-General on the establishment of a transparent and effective system of accountability and responsibility. The measures proposed fit into the overall framework for management reform which the Committee had been pursuing during the past several years. The establishment of the Office of Internal Oversight Services had been a major step in that direction. The Office would generate ideas for improving management but could

not, by itself, reform the United Nations. The goal of the process of reform must be to change the very culture of the United Nations.

47. The management concepts set out in the report had been applied in the business world for many years. Experience showed that by delegating authority and holding the managers accountable, organizations in the private and public sectors worked better and cost less. Thus the proposed system was a proven one. The challenge now was its implementation, especially the effective implementation of the various accountability mechanisms detailed in the report. The new management culture must be invoked to ensure that newly empowered staff members were truly held accountable. The proposed self-evaluation system would no doubt play a key role in that respect, and more information about it should be provided, as well as about the evaluations of the six-month management plans instituted in 1992 providing the means for monitoring output and for quality control. It was of critical importance that an efficient organizational oversight machinery should monitor the operation of the system. The Office of Internal Oversight Services was an important component of that machinery.

48. The Secretariat might consider additional tools which would help to achieve accountability. Requiring all segments of the Organization to conduct vulnerability assessments on a regular basis could help to highlight areas of risk where internal controls needed to be strengthened. Requiring senior managers and staff responsible for contracting and procurement to submit disclosure statements on their personal financial situation would provide an essential measure of protection against conflict of interest and other abuses of the enlarged authority granted to programme managers. His delegation also supported extending the United Nations code of conduct to all officials who received remuneration of one kind or another from the Organization. Serious consideration should be given to establishing limits on the terms of executive heads and elected officials of the United Nations and its specialized agencies and programmes.

49. Mr. SINGH (India) welcomed the fact that the Office of Internal Oversight Services had been empowered to ensure follow-up action on the approved reports of the Board of Auditors with a view to enforcing adherence to all financial and administrative regulations and rules and for taking prompt corrective action. He also hoped that the Under-Secretary-General for Internal Oversight Services and his Office would simplify rules, regulations and procedures.

50. The terms of the members of the Board of Auditors should be increased from the current period of three years in order to make better use of the experience gained. The resources of the Board also needed to be augmented to meet the greater demands being made upon it by Member States. The budget of the Board of Auditors should be handled on the same basis as that of the Office of Internal Oversight Services. With respect to the Advisory Committee on Administrative and Budgetary Questions (ACABQ), his delegation awaited the suggestions of the Advisory Committee itself on how to further improve and strengthen its functioning.

51. With regard to the recommendations of the Ad Hoc Intergovernmental Working Group of Experts established pursuant to General Assembly resolution 48/218 A, he agreed that there was a need for preventive action, increased oversight and greater emphasis on the training of personnel in the areas of administration, the financial regulations, procurement and contracting procedures and inventory control. The General Assembly should weigh the need for creating a new mechanism to handle financial irregularities in terms of the effects on workload and cost-effectiveness. Given the paucity of budgetary resources, it was to be hoped that the Committee would approve the creation of the new mechanism only after a careful evaluation. The Committee had created an important oversight body and would soon be considering proposals to institute greater accountability and responsibility on the part of programme managers, to streamline procurement, contracting and financial procedures, and to enhance training. The impact of those important changes on fraud and waste in the Organization should be evaluated before creating new bodies at considerable expense to Member States.

52. His delegation agreed with the basic premises of the Secretary-General's report on the establishment of a transparent and effective system of accountability and responsibility (A/C.5/49/1) and welcomed his proposals, including the proposal to review the Financial Regulations and Rules and the Regulations and Rules Governing Programme Planning, and the proposal to invite a group of experts to review the procurement processes at Headquarters and in the field.

53. As the Secretary-General pointed out in his note on the reports by the Board of Auditors (A/49/214), too often procurement contracts were awarded without ensuring that the Organization was getting the best value for money. Serious instances of conflict of interest had often come to light, resulting from the practice of using vendors or suppliers suggested by the requisitioning departments. In order for the resources of the Organization to be used properly and cost-effectively, those problems needed urgently to be addressed and in some cases might require that penalties be imposed. The procedures for inviting and evaluating bids must be non-discriminatory. In addition, the decisions of the Committee on Contracts should be transparent, and the roster of suppliers to the United Nations should be published periodically. Procedures for pre-selection of suppliers should be public knowledge, so that there would be no mystery about how a company came to have the opportunity to submit a bid. The group of experts which would conduct a review of those procedures should be drawn from all geographical regions, and the results of the review should be made available to Member States. His delegation also supported the establishment of a permanent Committee on Contracts.

54. It was to be hoped that delegation of administrative and financial authority would increase the ability of field units to adjust to new situations and specific requirements and would be accompanied by measures to strengthen accountability. The Secretariat should ensure that reports were made available to Member States in time to enable them to act in an efficient and responsible manner with full knowledge of the facts. Administrative efficiency could not be ensured simply by changing the rules and regulations. The entire approach of the Organization in that regard would have to change, especially with regard to

providing Member States promptly with the information they needed to make timely and appropriate decisions.

55. His delegation welcomed the proposal of the Secretary-General on the creation and elimination of posts, since it agreed on the need to allow for greater management flexibility. The practice of assigning posts specifically approved by the General Assembly for one purpose to another area of work must cease. Greater flexibility in recruitment to meet the needs of peace-keeping operations should not become a licence to ignore the obligation to recruit personnel from all parts of the world, since efficiency was not limited by geography or ethnic origin, and recruitment must reflect the diversity that characterized the United Nations.

56. The complexity of the system the Fifth Committee had to deal with, in which all ideas, concepts and structures had a history should be borne in mind. The Joint Inspection Unit (JIU) and the Committee for Programme and Coordination (CPC), for example, were created on the recommendation of the Ad Hoc Committee of Experts which 28 years ago examined the finances of the United Nations and specialized agencies and paid particular attention in its report (A/6343) to the elimination of duplication and overlapping, to improved methods of budget preparation and presentation, to better administration and long-term planning and evaluation, and to optimal utilization of available human and material resources - all the problems that were still occupying bodies such as JIU and CPC. Over the course of its history, the United Nations had grown from 50 Member States in 1945 to 184 today. A system must be built that would suit all Member States and reflect their several identities. That kind of administrative and personnel management was not easy, and it was to be hoped that the momentum generated in the past year would carry the necessary reforms forward into the future.

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (A/49/5, vols. I-IV, A/49/5/Add.1-9, A/49/214, A/48/572, A/48/587, A/48/516 and Add.1, A/49/368, A/49/348 and Add.1-2 and A/49/547)

57. Mr. LE MARECHAL (Deputy Comptroller and Auditor General of the United Kingdom), presenting the reports of the Board of Auditors on behalf of the Chairman of the Board, said that the reports contained the results of the audits of the financial statements of the United Nations itself, its peace-keeping operations, the International Trade Centre (ITC), United Nations University (UNU), United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), United Nations Institute for Training and Research (UNITAR), Office of the United Nations High Commissioner for Refugees (UNHCR), United Nations Environment Programme (UNEP), United Nations Habitat and Human Settlements Foundation and United Nations International Drug Control Programme, and a report on the financial statements of the United Nations Joint Staff Pension Fund. As requested by the General Assembly in its resolution 47/211, the Board had also presented in a separate document a summary of the principal findings, conclusions and recommendations

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set out in those reports. It had continued its practice of following closely the measures taken by the Administration to implement the previous audit recommendations. The Board's comments were set out in the annexes to each report.

58. The Board of Auditors welcomed the proposals put forward by the Secretary-General to change the management culture of the United Nations, with their emphasis on responsibility, authority, accountability and transparency, which could do much to help attain the Organization's objectives and to solve the more specific problems identified in the Board's report.

59. At the same time, the Board welcomed the creation of the Office of Internal Oversight Services and the consequent strengthening of the internal audit capacity of the United Nations. The Board had always worked closely with the Internal Audit Division and subsequently with the Office for Inspections and Investigations, with a view to coordinating their activities, and it hoped that the same kind of collaboration would be developed with the new Office.

60. At the request of the General Assembly in its resolution 48/216, the Board had submitted in document A/49/368 its views on the implications of extending the term of office of members of the Board of Auditors to four or six years. For the reasons set out in the document, the Board favoured the adoption of a six-year term of appointment, meaning that each member of the Board would serve for three biennial financial periods, giving that person sufficient time to become familiar with the Organization and to make an effective contribution.

61. With regard to General Assembly decision 47/454 and resolution 48/218, the Board had put forward its views on improving external oversight functions within the United Nations, dealing in particular with the role of external auditors. In essence, the Board felt that its role should not change and that the current arrangement should be retained, bearing in mind the need to develop the audits in line with the best professional practice.

62. In recent debates, a number of Member States had expressed concern about the capacity of Board members to provide sufficient numbers of professionally qualified staff to carry out the full range of required audit activities. Accordingly, the Board had been questioned closely on that point by the Advisory Committee on Administrative and Budgetary Questions. The Board was pleased to note that it had had no difficulty in providing the requisite number of professional staff, by drawing on its respective national audit institutions or by obtaining the services of outside experts.

63. Over the previous year, the Board had received an increasing number of requests from the General Assembly for special audits of particular topics. The Board welcomed the keen interest of Member States in its work and was always willing to respond positively to their concern. In most cases, those requests could be addressed within the Board's programme by adjusting the focus of particular audits to cover the necessary ground. In certain cases, however, especially where requests were made at short notice or required particular expertise, the Board might have to seek additional funding to meet those

requirements, as was also necessary in respect of the General Assembly's request for a new report from the Board on the Integrated Management Information System (IMIS).

64. For the first time, the Board had presented a separate report on the financial statements of the Organization's peace-keeping operations in 1992-1993. In preparing that report, the Board had been very conscious of the importance of that work and of the request, contained in General Assembly resolution 47/211, that the audit coverage of peace-keeping operations should be expanded. The Board had substantially increased the number of audits carried out, and further increases in the extent and depth of coverage were planned for 1994-1995. The Board was currently reviewing the estimated audit costs of its expanded coverage and would present revised budget estimates as necessary.

65. Where financial issues were concerned, the Board had qualified its audit opinion on the financial statements of four organizations. In three cases, namely, UNDP, UNFPA and the United Nations International Drug Control Programme, the Board had limited the scope of its opinion, as it had in 1990-1991, since it had been unable to obtain sufficient evidence in the form of audit certificates from Governments and non-governmental organizations that funds advanced to them for technical cooperation projects had been used for those purposes. None the less, although there were continuing difficulties in obtaining those certificates, the extent of the problem had been much reduced compared to the previous biennium, and the organizations had taken steps to improve the situation still further.

66. With regard to the financial statements for peace-keeping operations, the Board disagreed with the evaluation placed on assessed contributions because, in its view, there was scant likelihood of collecting those contributions. In general, organizations had complied with the United Nations system common accounting standards, introduced during the biennium 1992-1993, but there were some areas where further work would be required in 1994-1995.

67. With regard to management issues, the Board was well aware of its role in helping to reduce waste within the United Nations and to enhance programme performance. Over time, the Board had sharpened the focus in its reports on the scope for economy and had made suggestions for improved efficiency and effectiveness. In the biennium 1992-1993, the Board had carried out horizontal studies - in other words, it had examined the same topic in each of the organizations which it audited, in two important areas: the procurement of goods and services and the implementation of the Integrated Management Information System. In addition, it had examined specific aspects of each organization.

68. As for procurement, there were a number of areas in which significant improvements were required if the United Nations and its organizations were to secure better value for money. The Board had noted the positive response of the United Nations to its recommendations and welcomed the establishment of a group of high-level external experts to review procurement procedures.

69. The Board's recommendations could be grouped under three headings. First, the United Nations must actively manage procurement and plan it more effectively, developing measures to enable it to monitor trends and identify potential problems. It must also do more to provide training for its staff and to disseminate the best practice. Secondly, the Organization must test the market much more thoroughly than had been its previous practice. The Board recommended greater use of open tenders for major procurements, and better use of advertising and of supplier rosters. Competitive tendering also helped to ensure proper standards of conduct. Thirdly, the United Nations must act as an "intelligent" customer. It must have sufficient in-house expertise to work with the market in the way the market expected, both for letting and for monitoring contracts. In many cases, it had received very few bids conforming fully to contract specifications. A greater understanding of the market would help it to tackle that problem.

70. The Integrated Management Information System had remained a project with little detailed planning for implementation, either in New York or at offices away from Headquarters, such as Geneva or Vienna. In addition, the resources required had been considerably underestimated. The rapid response of the United Nations to the shortcomings identified, as set out in the sixth progress report on the Integrated Management Information System project (A/C.5/48/12/Add.1), was encouraging. As requested by the General Assembly in its decision 48/492, the Board would report again shortly on various aspects of the project.

71. In respect of programme management, the Board had commented on various shortcomings in a number of detailed cases, such as those concerning conference services, UNHCR, UNICEF, UNEP and the United Nations Habitat and Human Settlements Foundation. It was difficult to generalize about the reasons for those shortcomings, but they stemmed essentially from a lack of clear objectives, and from an absence of performance measures and effective monitoring.

72. Once again, the Board had found it necessary to comment extensively on the failure of several organizations, especially in the peace-keeping area, to maintain adequate inventories of non-expendable property. Those inventories formed the basis for the safeguarding and management of the organizations' assets. The United Nations would be ill-equipped to make the best use of its assets if it did not know what assets it had or where those assets were.

73. The Board had also paid special attention to the management of technical cooperation projects carried out by the United Nations, UNDP, UNFPA, ITC and others. A number of general themes had again emerged, in particular a failure to establish quantifiable objectives, a tendency to administer projects mechanically, persistent overruns on timetable and budget and a failure to disseminate the lessons of previous experience. The Board's key recommendation in that regard was that such projects must be managed more pro-actively and within a structure which clearly established the lines of responsibility and accountability.

74. Finally, during the biennium 1992-1993, the impact of the changes in the implementation of development projects, in particular the switch to national execution, had had a major effect on some organizations. For example, the United Nations and ITC had experienced a sharp decline in programme support cost income, as a result of which it had been necessary to review their staffing levels and to implement painful reforms.

75. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, when preparing its report (A/49/547), the Advisory Committee had kept in mind the concern expressed in the Fifth Committee regarding the adequacy of audit coverage and related resources. The Board of Auditors had taken into account the General Assembly's wish to have broader audit coverage for peace-keeping operations. For the first time, it had prepared a separate report on peace-keeping operations, and the Advisory Committee was of the view that, in future, the Board might have to consider the appropriateness of issuing separate reports on the larger peace-keeping missions, such as UNPROFOR.

76. With respect to resources, the Advisory Committee was satisfied that the Secretariat had included in the respective budgets the amounts requested by the Board to cover the audit programmes concerned. As observed in paragraph 8 of the ACABQ report, the Board was able to cope with additional audits at the request of the General Assembly. If, however, the additional audits were required to be completed within a short period, more resources might be needed. Before deciding on additional audits, therefore, it was necessary to have a statement of financial implications prepared by the Board.

77. The General Assembly had requested the Board of Auditors to report, through the Advisory Committee, on the question of extending the term of office of members to four or six years. As indicated in the Board's report on the subject (A/49/368 and Corr.1), the current term of office had been determined at a time when the United Nations had had a one-year financial period. The term of office of a member expired every year; if that member was not re-elected, the work of the Board was disrupted because the incoming member joined the team when an audit was under way. After considerable discussion, the Advisory Committee had concluded that the final decision rested with the General Assembly. Furthermore, if the term of office was changed, the Assembly would have to adopt appropriate transitional measures.

78. The General Assembly had also requested the executive heads of the audited organizations to submit information on the action that had been or was expected to be taken in order to comply with the Board's recommendations, including timetables for implementation. In each of its reports, the Board included a section on the implementation of its past recommendations. The Advisory Committee regarded that development as encouraging. However, the reporting system was still evolving. In particular, the issuance of reports on the implementation of the Board's recommendations must be synchronized in the manner indicated in paragraph 35 of the ACABQ report, so that both parties could discharge their respective responsibilities. In that connection, he stressed the importance of the observations in paragraph 36 of the ACABQ report, which

indicated the Advisory Committee's intention of meeting with the Board of Auditors to explore with it and with the representatives of the Secretary-General the most acceptable means of putting into practice the procedures outlined in paragraph 36.

ORGANIZATION OF WORK

79. Mr. HAHN-FEILER (Germany), speaking on behalf of the European Union and Austria, stressed the importance attached by those countries to speedy consideration of the report of the Secretary-General on administrative and budgetary aspects of the financing of the United Nations peace-keeping operations (A/48/945). He urged the Secretariat to prepare as soon as possible any additions to that document which might be needed.

The meeting rose at 5.40 p.m.

UNITED NATIONS
General Assembly

FORTY-NINTH SESSION

Official Records

FIFTH COMMITTEE
11th meeting
held on
Thursday, 3 November 1994
at 10 a.m.
New York

SUMMARY RECORD OF THE 11th MEETING

Chairman: Mr. TEIRLINCK (Belgium)

Chairman of the Advisory Committee on Administrative and
Budgetary Questions: Mr. MSELLE

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BUDGETARY QUESTIONS (*continued*)
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COMMITTEE
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- (g) APPOINTMENT OF MEMBERS AND ALTERNATE MEMBERS OF THE UNITED NATIONS
STAFF PENSION COMMITTEE

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Distr. GENERAL
A/C.5/49/SR.11
17 November 1994

ORIGINAL: ENGLISH

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The meeting was called to order at 10.35 a.m.

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS (continued)

1. The CHAIRMAN drew attention to rule 92 of the rules of procedure of the General Assembly concerning elections and to paragraph 16 of decision 34/401 concerning the election of members of subsidiary organs.

(a) APPOINTMENT OF MEMBERS OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (continued) (A/49/101 and Add.1; A/C.5/49/16)

2. The CHAIRMAN drew the Committee's attention to rules 155 and 156 of the rules of procedure of the General Assembly and said that the Assembly needed to appoint five persons to fill the vacancies which would arise in the Advisory Committee on Administrative and Budgetary Questions on 31 December 1994. According to the Secretary-General's note (A/C.5/49/16), seven persons had been nominated by their Governments. Since the number of candidates endorsed by the Group of Latin American and Caribbean States, the Group of Asian States and the Group of Eastern European States, respectively, was equal to the number of vacancies for each group, he took it that the Committee wished to elect them by acclamation. A vote would be taken by secret ballot in the case of the Group of African States.

3. It was so decided.

4. Mr. AL-MASRI (Syrian Arab Republic), Mr. Barac (Romania) and Mr. Maycock (Barbados) were elected members of the Advisory Committee on Administrative and Budgetary Questions.

5. The CHAIRMAN invited the Committee to elect by secret ballot two members from the Group of African States.

6. At the invitation of the Chairmen, Mr. Riva (Argentina) and Mr. Mihai (Romania) acted as tellers.

7. A vote was taken by secret ballot.

<u>Number of ballot papers:</u>	168
<u>Number of valid ballots:</u>	168
<u>Abstentions:</u>	1
<u>Number of members voting:</u>	167
<u>Required majority:</u>	84

Number of votes obtained:

Mr. Mselle (United Republic of Tanzania)....	127
Mr. Maiga (Mali)	75

/...

Mr. Ould Mohamed Mahmoud (Mauritania) 74
Mr. Kazembe (Zambia) 51

8. Having obtained the required majority, Mr. Mselle (United Republic of Tanzania) was elected a member of the Advisory Committee on Administrative and Budgetary Questions.

9. The CHAIRMAN said that, in accordance with rule 94 of the rules of procedure of the General Assembly, the Committee would proceed to a second secret ballot to elect the remaining member from the Group of African States.

10. Mr. OULD MOHAMED MAHMOUD (Mauritania) said that he was withdrawing his candidacy.

11. The CHAIRMAN said that he would then take it that the Committee wished to elect Mr. Maiga (Mali) by acclamation.

12. It was so decided.

13. Mr. Maiga (Mali) was elected a member of the Advisory Committee on Administrative and Budgetary Questions.

(b) APPOINTMENT OF MEMBERS OF THE COMMITTEE ON CONTRIBUTIONS
(A/49/102; A/C.5/49/17)

14. The CHAIRMAN drew the Committee's attention to rules 158 and 159 of the rules of procedure of the General Assembly and said that the Assembly needed to appoint six persons to fill the vacancies which would arise in the Committee on Contributions on 31 December 1994. According to the Secretary-General's note (A/C.5/49/17) eight persons had been nominated by their Governments. Since the number of candidates endorsed by the Group of African States and the Group of Western European and Other States, respectively, was equal to the number of vacancies for each group, he took it that the Committee wished to elect those candidates by acclamation. A vote would be taken by secret ballot in the case of the Group of Asian States and the Group of Eastern European States.

15. It was so decided.

16. Mr. Etuket (Uganda) and Mr. Grant (United States of America) were elected members of the Committee on Contributions.

17. The CHAIRMAN invited the Committee to elect by secret ballot two members from the Group of Asian States.

18. Mr. ONURSAL (Turkey), speaking on behalf of the Group of Asian States said that the candidacies of Mr. Singh (India) and Mr. Menon (Singapore) had been endorsed by the Group.

19. At the invitation of the Chairman, Mrs. Gounaris (Belgium) and Mr. Elzimaity (Egypt) acted as tellers.

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20. A vote was taken by secret ballot.

<u>Number of ballot papers:</u>	171
<u>Invalid ballots:</u>	1
<u>Number of valid ballots:</u>	170
<u>Abstentions:</u>	0
<u>Number of members voting:</u>	170
<u>Required majority:</u>	86

Number of votes obtained:

Mr. Menon (Singapore)	136
Mr. Kawai (Japan)	115
Mr. Singh (India)	80

21. Having obtained the required majority, Mr. Kawai (Japan) and Mr. Menon (Singapore) were elected members of the Committee on Contributions.

22. The CHAIRMAN invited the Committee to elect by secret ballot two members from the Group of Eastern European States.

23. At the invitation of the Chairman, Mr. Fattah (Egypt) and Ms. Stude (Finland) acted as tellers.

24. A vote was taken by secret ballot.

<u>Number of ballot papers:</u>	172
<u>Invalid ballots:</u>	1
<u>Number of valid ballots:</u>	171
<u>Abstentions:</u>	1
<u>Number of members voting:</u>	170
<u>Required majority:</u>	86

Number of votes obtained:

Mr. Blukis (Latvia)	114
Mr. Goumenny (Ukraine)	111
Mrs. Denkova-Teneva (Bulgaria)	106

25. Mr. Blukis (Latvia) and Mr. Goumenny (Ukraine) having obtained the required majority, the Committee decided to recommend that they should be appointed as members of the Committee on Contributions for a three-year term beginning on 1 January 1995.

(c) APPOINTMENT OF A MEMBER OF THE BOARD OF AUDITORS (A/49/103 and A/C.5/49/18)

26. The CHAIRMAN drew attention to document A/C.5/49/18, in which the Secretary-General informed the General Assembly that the United Kingdom Government had nominated the Comptroller and Auditor-General of the United

Kingdom of Great Britain and Northern Ireland for reappointment to the Board of Auditors. Since there was only one candidate for the vacant post, he took it that the Committee wished to take a decision by acclamation.

27. It was so decided.

28. The Committee decided to recommend that the Comptroller and Auditor-General of the United Kingdom of Great Britain and Northern Ireland, should be reappointed to the Board of Auditors for a three-year term beginning on 1 July 1995.

(d) CONFIRMATION OF THE APPOINTMENT OF MEMBERS OF THE INVESTMENTS COMMITTEE (A/49/104; A/C.5/49/19)

29. The CHAIRMAN drew attention to document A/C.5/49/19, in which the Secretary-General submitted for confirmation by the General Assembly the reappointment of three members of the Investments Committee. He took it that the Committee wished to take a decision by acclamation.

30. It was so decided.

31. The Committee decided to recommend the reappointment of Mr. Abdullatif (Saudi Arabia), Mr. de Andrade Faria (Brazil) and Mr. Raczkowski (Poland) to the Investments Committee for a three-year term beginning on 1 January 1995.

(e) APPOINTMENT OF MEMBERS OF THE UNITED NATIONS ADMINISTRATIVE TRIBUNAL (A/49/105; A/C.5/49/20)

32. The CHAIRMAN drew attention to document A/C.5/49/20, in which the Secretary-General communicated to the General Assembly the names of three persons nominated by their Governments for appointment or reappointment to the United Nations Administrative Tribunal. Since the number of candidates was equal to the number of vacancies, he took it that the Committee wished to take a decision by acclamation.

33. It was so decided.

34. The Committee decided to recommend the reappointment of Mr. Balanda (Zaire), Mr. Sen (India) and Mr. Thierry (France) to the United Nations Administrative Tribunal for a three-year term beginning on 1 January 1995.

(f) INTERNATIONAL CIVIL SERVICE COMMISSION:

(1) APPOINTMENT OF MEMBERS OF THE COMMISSION (A/49/106 and A/C.5/49/21)

35. The CHAIRMAN drew attention to document A/C.5/49/21, in which the Secretary-General communicated to the General Assembly the names of five persons nominated by their regional groups for appointment or reappointment to the International Civil Service Commission. Since the number of candidates was

equal to the number of vacancies to be filled, he took it that the Committee wished to take a decision by acclamation.

36. It was so decided.

37. The Committee decided to recommend the reappointment of Mr. Bel Hadi Amor (Tunisia), Mrs. Daddah (Mauritania), Mr. Pirson (Belgium), Mr. Riha (Czech Republic) and Mr. Vegega (Argentina) to the International Civil Service Commission for a four-year term of office beginning on 1 January 1995.

(ii) DESIGNATION OF THE CHAIRMAN AND VICE-CHAIRMAN OF THE COMMISSION
(A/C.5/49/21/Add.1)

38. The CHAIRMAN drew attention to the note by the Secretary-General (A/C.5/49/21/Add.1), which contained the curricula vitae of the two candidates for the posts of Chairman of the International Civil Service Commission and the sole candidate for the post of Vice-Chairman. He invited the Committee to elect the Chairman of the International Civil Service Commission by secret ballot.

39. At the invitation of the Chairman, Mr. Rivas (Argentina) and Mr. Mihai (Romania) acted as tellers.

40. A vote was taken by secret ballot.

<u>Number of ballot papers:</u>	170
<u>Number of valid ballots:</u>	170
<u>Abstentions:</u>	1
<u>Number of members voting:</u>	169
<u>Required majority:</u>	85

Number of votes obtained:

Mr. Bel Hadj Amor (Tunisia)	98
Mr. Sbih (Algeria)	71

41. Mr. Bel Hadi Amor (Tunisia) having obtained the required majority, the Committee decided to recommend that he should be designated Chairman of the International Civil Service Commission for a four-year term beginning on 1 January 1995.

42. The CHAIRMAN said that, since there was only one candidate for the post of Vice-Chairman of the Commission, he took it that the Committee wished to take a decision by acclamation.

43. It was so decided.

44. The Committee decided to recommend the designation of Mr. Vegaga (Argentina) as Vice-Chairman of the International Civil Service Commission for a four-year term beginning on 1 January 1995.

(g) APPOINTMENT OF MEMBERS AND ALTERNATE MEMBERS OF THE UNITED NATIONS
STAFF PENSION COMMITTEE (A/49/107 and A/C.5/49/22)

45. The CHAIRMAN drew attention to document A/C.5/49/22, in which the Secretary-General communicated to the General Assembly the names of six persons nominated by their Governments for appointment or reappointment to the United Nations Staff Pension Committee. Since there were no candidates for two of the vacancies, one to be filled by the Group of Latin American and Caribbean States and the other by the Group of Asian States, he suggested that the Committee should defer the election in respect of those two vacancies.

46. It was so decided.

47. The CHAIRMAN said that he took it that the Committee wished to take a decision by acclamation in respect of the other vacancies.

48. It was so decided.

49. The Committee decided to recommend the appointment or reappointment of Mr. Inomata (Japan), Mr. Kuznetsov (Russian Federation), Mr. Owade (Kenya), Mrs. Shearouse (United States of America), Mr. Stitt (United Kingdom) and Mr. Zahid (Morocco) as members and alternate members of the Staff Pension Committee for a three-year term beginning on 1 January 1995.

The meeting rose at 12.50 p.m.

UNITED NATIONS
General Assembly

FORTY-NINTH SESSION

Official Records

FIFTH COMMITTEE
12th meeting
held on
Friday, 4 November 1994
at 10 a.m.
New York

SUMMARY RECORD OF THE 12th MEETING

Chairman: Mr. BARIMANI (Islamic Republic of Iran)
(Vice-Chairman)

later: Mr. TEIRLINCK (Belgium)
(Chairman)

Chairman of the Advisory Committee on Administrative and
Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND
REPORTS OF THE BOARD OF AUDITORS (continued)

AGENDA ITEM 108: PROGRAMME PLANNING

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A/C.5/49/SR.12
21 November 1994

ORIGINAL: ENGLISH

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In the absence of Mr. Teirlinck (Belgium), Mr. Barimani (Islamic Republic of Iran) took the Chair.

The meeting was called to order at 10.25 a.m.

AGENDA ITEM 105: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/49/16 (Part II), A/49/34, A/49/98, A/49/336, A/49/418, A/49/471 and A/49/560; A/C.5/49/1)

1. Mr. BREITENSTEIN (Finland), speaking on behalf of the Nordic countries, welcomed the Secretariat's new approach to the reforming of the management practices of the Organization. Reform was urgently needed both to enhance the Secretariat's efficiency and to increase the confidence of Member States that mandates assigned to the Secretariat were properly executed. The dovetailing of the major management instruments currently being introduced or revised, together with the budget outline for the biennium 1996-1997, provided a comprehensive basis for the consideration of the whole subject of management by the current General Assembly.

2. As for the establishment of a transparent and effective system of accountability and responsibility, the efforts undertaken by the Secretariat to improve the system of accountability demonstrated its commitment to finally tackling inadequate management practices. Assigning responsibility, delegating authority and ensuring accountability were all prerequisites for enhancing the effectiveness of the Secretariat. Authority, however, must be commensurate with responsibility and any increase in authority and responsibility should therefore be followed by a corresponding increase in accountability.

3. The Nordic countries noted with satisfaction that, in restructuring the Department of Administration and Management and implementing a new system of accountability, the Secretariat had addressed the urgent question of decentralization, which had increased in importance as a result of the multiplication of field operations in the areas of peace-keeping and humanitarian assistance. The problems of the current management system, however, should not be underestimated and firm and persistent commitment on the part of Member States was essential for the successful implementation of the new system of accountability and responsibility. The involvement of staff in setting up a personnel appraisal system and, indeed, in the entire process was also essential. He welcomed the efforts being made to develop a new culture of motivation, including a balanced system of rewards for good and sanctions for poor performance. Clear guidelines for the appraisal and recognition of performance, a framework for dealing with unsatisfactory performance, and a set of generic training modules in performance appraisal and management were also needed.

4. Staff training was of particular concern to the Nordic countries. New training requirements should be adopted as part of the organizational development process and the Secretariat should propose a plan for further training of all personnel in financial and administrative issues. Situation

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analysis, priority setting, methods for the follow-up of activities, the use of statements of accounts for monitoring activities, self-evaluation and the application of the results of follow-up and evaluation in planning and budgeting were other important questions to be addressed. Such an exercise was for the Secretariat to undertake. Member States should avoid micromanagement and concentrate, instead, on simplifying mandates, providing overall policy guidelines, and ensuring that there were adequate procedures for monitoring and evaluating performance at all levels.

5. Turning to the oversight functions of the Organization, the Nordic countries welcomed the work done by the Office for Inspections and Investigations, which provided a good basis for the work of the new Office of Internal Oversight Services. They also welcomed the recommendations made by the Board of Auditors for improving oversight functions (A/49/471). They were, however, concerned that the remedial action which had followed the Board's findings had not been sufficiently effective and that there had often been delay in obtaining details of cases of fraud, as a result of which the Board had been unable to review the adequacy of the action taken covering all the cases reported.

6. He noted with satisfaction that the Ad Hoc Intergovernmental Working Group of Experts established pursuant to General Assembly resolution 48/218 A had come to the conclusion that the involvement of yet another intergovernmental body of experts was not required for the oversight of the Organization. The importance of preventive action in controlling mismanagement and fraud had to be underlined, especially with regard to peace-keeping operations, which had proved to be a problem area in that regard.

7. Mrs. FRECHETTE (Canada), speaking also on behalf of Australia and New Zealand, said that accountability, responsibility and the delegation of authority were fundamental to sound management and, as such, were commonplace in most large organizations. The Secretariat was not a large or complex organization and could not claim to be special or different. Together with the related review of legislative and administrative issues and procurement, improved internal communications, enhanced training and work programme-based performance appraisal, the system of accountability would reinvigorate the Organization's programming and budgetary process and enable the Secretariat to focus on results. In short, the reorientation of the Organization's senior management had been completed. The Secretariat had delivered a platform of accountability and transparency which could ensure that the interests of Member States were served and their expectations met. In the process of restructuring, Member States had sought a responsive Secretariat in which senior officials saw their role as one of serving Members and had expressed the desire to empower managers, giving them freedom to act and innovate within a framework of basic rules. Member States must therefore stop micromanaging the Organization and must resist the urge to request endless reports and budget estimates. Managers must be given the chance to manage and the new system of accountability would give managers the resources to do so as well as the means to measure their performance and to hold them accountable for their actions. It was now for the managers to deliver the fruits of those reforms.

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8. Her delegation welcomed the report of the Secretary-General on the restructuring of the United Nations Secretariat (A/49/336). The tone of the report was positive, even though it was only an initial assessment of a process that was still under way. Her delegation had expressed concern in the past that the Secretary-General's commitment to a more efficient and effective structure was not well understood throughout the Secretariat. The current report provided some reassurance that reforms were being instituted to ensure clearer and more effective lines of responsibility and that a capacity was being created to deploy staff and resources where they were most needed and to respond flexibly to new requests and changing mandates. It was also important to ensure that when an activity was no longer necessary it would cease and the associated resources would be redeployed to higher priority areas. She agreed with the Secretariat that restructuring should be driven by the objectives and priorities established by Member States and that it was a process rather than an event. There should, however, be alternating periods of reform and consolidation, although changes to that cycle might well be imposed from outside.

9. While the report's assessment of the economic and social sectors was very tentative, one of its most positive features was that it indicated both the positive and negative effects of restructuring. The same results-oriented approach should be applied to all programme evaluations, in contrast with the traditional focus on the quantity rather than quality of outputs. The report noted the additional difficulty of restructuring a system which could not be taken "off-line" for that purpose and the need for related reforms in other areas, especially the planning, programming and budgeting process, and in the field of human resources management. It also drew attention to the need to ensure that the responsibilities of Member States and of the Secretariat were exercised in a mutually reinforcing way.

10. On the question of oversight, strong and independent oversight mechanisms were a vital part of any system of accountability and were necessary to maintain the confidence of Member States in the Organization. She welcomed the steps that had recently been taken to strengthen the independence of the Office of Internal Oversight Services. Independence in itself, however, was not enough unless backed up by adequate human and financial resources to carry out the necessary oversight functions and reviews. It was therefore a matter of some concern that the Assistant Secretary-General for Inspections and Investigations had commented on the limitations imposed on his Office by inadequate resources. Staffing levels within the Office had dropped during 1994 and the delegations on whose behalf she spoke would look favourably on any proposals to increase the financial and human resources for the work of the Office. In their national systems, it had frequently been found that the savings identified by such internal oversight bodies could more than offset any additional resource implications.

11. She agreed that, in order to strengthen the independence of the Board of Auditors, its budget should be put on the same basis as that of the Office of Internal Oversight Services and should be identified in a separate section of the programme budget, reflecting a separate and distinct programme in the medium-term plan. She was disappointed that the Advisory Committee and the

Committee for Programme and Coordination had not yet responded to the request contained in General Assembly decision 47/454 for reports on how the effectiveness of oversight and coordination mechanisms could be improved.

12. She noted with satisfaction the sharper focus being given by both internal and external oversight bodies to management issues. Oversight should not be limited to delving into lapses of probity, and non-compliance but should concentrate on helping managers uncover inefficiency and improve performance. In that connection, the emphasis and wider coverage given to management issues and systems in the reports of the Board of Auditors for the biennium 1992-1993 were particularly commendable.

13. While the reorientation and restructuring currently under way were welcome, it was also important to develop procedures to ensure that the recommendations of oversight bodies were followed up and remedial action taken promptly. She therefore supported the proposal of the Board of Auditors that the Advisory Committee should be more closely involved in follow-up of the Board's recommendations.

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (*continued*) (A/48/516 and Add.1, A/48/572, A/48/587, A/49/5 (vols. I-IV) and Add.1-9, A/49/214, A/49/348 and Add.1-2, A/49/368 and A/49/547)

14. Mr. HAMMARSKJÖLD (Sweden), speaking on behalf of the Nordic countries, expressed satisfaction with the Board of Auditor's practice of reporting the results of specific audits and maintaining a constructive dialogue with the administrations under review. While the Nordic delegations generally endorsed the recommendations of the Board and the related comments in the Advisory Committee's report, they were concerned about some of the findings and conclusions regarding financial matters and, in particular, deficiencies in budgetary control. As in previous years, the Board had felt compelled to issue qualified audit opinions in certain cases and, while there had been some improvement in the underlying factors in the United Nations Development Programme (UNDP), The United Nations Population Fund (UNFPA) and the United Nations International Drug Control Programme (UNDCP), there was still need for remedial action. That was also true of the audit statement on peace-keeping operations (A/49/5 (vol. II)). On the positive side, he noted that the organizations generally complied with the common accounting standards of the United Nations.

15. With regard to the Board's observations and findings concerning management issues, the Nordic countries welcomed the horizontal studies on the procurement of goods and services and the Integrated Management Information System (IMIS). They were concerned, however, about the continued problems in the purchasing procedures in several organizations. Improvements in those procedures were urgently needed and they shared the views expressed on that subject in paragraphs 24 to 33 of the Advisory Committee's report (A/49/547).

16. The recommendations contained in paragraph 9 of the Board's report on the accounts of the United Nations (A/49/5 (vol. I)) were pertinent to all organizations and he would welcome any additional information on the terms of reference and any tentative plans for implementation of the recommendations to be made by the high-level group of experts referred to in paragraph 31 of the Secretary-General's report on the implementation of the recommendations of the Board of Auditors (A/49/348).

17. The Nordic delegations noted with concern the Board's findings regarding the publishing services in the United Nations. The Board had found that there were no computations of total costs for a publication and that large quantities of publications were disposed of because of overproduction. He supported the Board's recommendations that the review of pricing policy should be completed and follow-up action taken. Market research should also be strengthened to ensure that overproduction was avoided as much as possible.

18. Of particular interest to the Nordic delegations were the findings and recommendations of the Board concerning programme and project management, which had more far-reaching implications than observations on such activities as cash management, the use of consultants, and inventory control. Those were technically easier to handle and did not reflect general management culture to the same extent.

19. With few exceptions, the Board had found rather serious shortcomings in programme and project management in all of the organizations and funds under review. As major contributors, the Nordic countries were particularly concerned to note the Board's observations with regard to UNDP, UNICEF and UNFPA. Another recurrent observation by the Board was that the monitoring of project performance, both substantively and financially, was unsatisfactory. Monitoring in UNDP had become highly mechanical. Projects were often monitored to satisfy administrative requirements rather than to encourage remedial action. In addition, UNDP had been unable to meet the Board's request for information on the number of projects that had been delivered on time and within the budget. Although examples of good monitoring existed in UNFPA, progress reports often did not clearly establish what had been done, whether it was relevant to achieving stated objectives, or what remained to be done. In UNICEF, monitoring needed to be improved in order to promote programme delivery of supplementary-funded projects.

20. The situation with regard to project evaluation was not much more encouraging. The Board had found a reason to doubt the coverage of evaluations in UNDP and it was concerned about the quality of some of the data and the corresponding conclusions. In addition, it had been unable to find independent evidence of the general sustainability of projects of UNDP and had concluded that the prime objectives of the evaluation process were not being met.

21. Given the evident need for improvements in programme and project management, it was encouraging to note that administrations were generally responsive to the Board's findings and recommendations. In some areas, however, the follow-up of earlier recommendations had been insufficient. It was a matter

of concern, for example, that, since the 1990-1991 report of the Board, UNDP and UNFPA had continued to under-report to the Property Survey Board cases involving losses of non-expendable property.

22. On the issue of independent audits and management reviews of activities of the United Nations system (A/48/587), the Nordic delegations supported, in principle, the views and recommendations of the Panel of External Auditors. Furthermore, they understood the position of the Secretary-General when he declined to accept contributions offered on conditions of independent audits and management reviews. That position was in accordance with existing regulations and rules. To the extent possible, activities financed from extrabudgetary contributions should be integrated into the ordinary financial management process. Member States had the possibility of scrutinizing the financial controls of all organizations through their respective governing bodies. At the same time, the system should enable Member States to receive information, whenever requested, on the utilization of their contributions in order to maintain their willingness to contribute to voluntarily funded activities.

23. Mr. SINGH (India) said that, just as the work of the Organization and its financial and personnel resources had expanded over the previous 10 years, its budgets had also come under more detailed scrutiny by Member States. The collective desire of Members was to have a more efficient and cost-effective Organization. In that regard, the work of the Board of Auditors was of great value and India was pleased to note that the Board had focused its reporting on deficiencies and problems that covered the broad spectrum of the Organization's activities with a view to improving its productivity and efficiency.

24. The Board had made several significant observations on current practices and had suggested alternatives which would save the Organization considerable money. Its recommendations should therefore be seen as part of the process of interaction between the Organization, its oversight mechanisms, and its Member States so that, together, they could promote those objectives. Some of the Board's observations on accounts and financial reporting were both relevant and important in a systemic sense. For example, the fact that only two of the 17 peace-keeping missions had presented evidence of a cash count as of 31 December 1993 to confirm the accuracy of cash-in-hand balances seemed to suggest that even rudimentary accounting procedures were absent in the field. Also, the absence of proper inventories of non-expendable properties at duty stations away from Headquarters was symptomatic of certain systemic deficiencies. His delegation hoped that the corrective steps referred to in the report of the Secretary-General (A/49/348/Add.1) would be implemented in full and at an early date in all field missions.

25. The Board's observations on the issue of procurement practices within the United Nations were revealing. Remedial action had been suggested by them in several cases and the Advisory Committee had concurred with those suggestions. The Board's observations on the contracting of freight forwarding and ship chartering to a single agent under arrangements which were not transparent enough and the virtual monopoly given to one country for air contract services graphically illustrated the need to improve both efficiency and accountability.

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The Secretary-General's report described the efforts being made to address those issues. The streamlining of procurement policy and practices was one testing ground for joint efforts to bring about a change in the management culture and approach of the Organization.

26. His delegation endorsed the observations and recommendations made by the Board of Auditors with respect to the need for regular monitoring of the number and extent of exceptions to billing; the need for contracting of major procurements through open tendering; the need for regular updates of suppliers' rosters; regular reviews of suppliers' performance; the need to have properly trained procurement officers; and the need to reduce the excessive flexibility in the use of exigency provisions in procurement through a listing of those situations which might be considered as such. His delegation welcomed the review of procurement policy and procedures being undertaken by the group of experts invited by the Secretariat and hoped that it would include revised procedures to provide for a truly competitive, fair and transparent process, including the establishment of clear lines of authority and accountability, and inherent control mechanisms.

27. His delegation shared the Board's view that the Integrated Management Information System (IMIS), on which there had already been considerable expenditure without significant results, should now be taken up on a priority basis for completion. The project team should be appropriately strengthened and detailed targets established for all key responsibility centres for the project so that IMIS could fulfil its purpose early in 1995.

28. For several years, the Board had been drawing attention to irregularities in the hiring of consultants. Those irregularities included the absence of rosters and the violation of the limit on the duration of hiring. Given the recent expansion of the Organization's activities, especially in the field of peace-keeping, greater use should be made of the considerable in-house capabilities available to the Organization and the use of external consultants, especially for peace-keeping purposes, should be kept to the absolute minimum. His delegation endorsed the observations of the Board that, in the engagement of consultants, advisers and researchers at the United Nations University, due regard had not been paid to geographical distribution. There was a sufficient pool of talented and suitably qualified manpower available around the world and that reality should be adequately reflected in the day-to-day functioning of the Organization.

29. Mr. Teirlinck (Belgium) took the Chair.

AGENDA ITEM 108: PROGRAMME PLANNING (A/49/6, A/49/16 (Parts I and II), A/49/99, A/49/135 and Add.1, A/49/452; E/1994/4, E/1994/19)

30. Mrs. AGGREY-ORLEANS (Chairman of the Committee for Programme and Coordination), introducing the report of the Committee for Programme and Coordination (CPC) on its thirty-fourth session, said that the programme planning cycle comprised two prospective phases of medium-term planning and biennial programming and budgeting, followed by two retrospective phases of

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review and assessment, in which reports submitted to the General Assembly permitted Member States to determine whether or not mandates had been carried out and objectives met. The Committee for Programme and Coordination was the main intergovernmental body in that cycle. Having initially restricted itself to assessing the effectiveness of economic and social programmes, CPC had subsequently initiated evaluations in the humanitarian and political sectors. That such complex programmes could be evaluated was tribute to the consensus on methodologies and procedures developed in CPC.

31. At its thirty-fourth session CPC had continued the development of methodology through its consideration of the use of achievement indicators, the use of evaluation as an instrument for management, and the phases of evaluation studies. CPC had recommended an ambitious schedule of evaluations for the next three years. In addition CPC had made recommendations on the start-up phase of peace-keeping operations, evaluation findings in programme design and delivery, the evaluation of programme 45 on the economic situation of Africa and programmes at the Economic Commission for Africa, and the United Nations programme on social development.

32. In its consideration of the annual overview report of the Administrative Committee on Coordination (ACC), CPC had emphasized the need to focus on development financing and to maintain the momentum generated by the United Nations Conference on Environment and Development, noted the problems of countries invoking Article 50 of the Charter and of countries in transition, welcomed the ACC programme of work for 1994, reaffirmed the importance of coordination within the United Nations system and its own role therein, and agreed to consider African economic recovery and development further in conjunction with ACC.

33. With regard to programme performance for the biennium 1992-1993, CPC regretted the decrease in the rate of programme implementation during that biennium and had recommended that action should be taken on the 173 outputs postponed from the biennium 1990-1991 to the biennium 1994-1995. In view of the importance of peace-keeping operations in the 1994-1995 work programme of the Joint Inspection Unit (JIU), CPC had considered the JIU report on civilian staffing of peace-keeping missions, and had endorsed the Unit's diagnosis of current imperfections in that area.

34. In its consideration of the Secretary-General's report on a transparent and effective system of accountability and responsibility, CPC had indicated the importance of the concept that the Secretariat worked to serve all Member States. CPC had endorsed the measures proposed to be taken by 1 January 1995, agreed on the need for an organizational chart and supported the view that staff representatives should be involved in the reform process.

35. CPC had noted that the restructuring of the Secretariat appeared to be leading in the right direction, but had recognized that it was still too soon to make a full evaluation. In particular CPC had welcomed the efforts to improve the management culture, streamline the Department of Administration and Management, consolidate internal oversight and strengthen training.

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36. Regarding proposed revisions to the medium-term plan, CPC stressed the need for all proposed revisions to be submitted to the relevant Main Committees prior to consideration by the Fifth Committee. In view of the doubts regarding the effectiveness of the medium-term plan, CPC welcomed the proposed new format of the medium-term plan, comprising a perspective and a programme framework for a four-year period, beginning in 1998. CPC had also examined the outline of the proposed programme budget for the biennium 1996-1997, which it had recommended to the General Assembly while stressing that the search for economies should not be at the expense of development projects in Africa. In that connection CPC had noted that it would be difficult to implement the System-wide Plan of Action for African Economic Recovery and Development without additional resources.

37. While the tools of programme planning, monitoring and evaluation had been considerably refined, there were still difficulties in assessing the impact of United Nations programmes. Much also remained to be done to promote effective coordination within the system. The thirty-fourth session of CPC had reflected a transition from reform to consolidation, complemented by improved cooperation between CPC and the Secretariat, as reflected in the frank documentation. The increased involvement of the Department of Administration and Management had improved understanding of the challenges and helped to identify solutions. Unfortunately the late issuance of documentation, a problem the Secretariat must do all it could to resolve, had somewhat undermined that happy trend.

38. MR. TAKASU (Controller) said that under the programme planning regulations the medium-term plan was to be revised every two years to incorporate required programme changes and reflect the programme implications of decisions of intergovernmental organs and international conferences. Accordingly revisions were proposed at the forty-ninth session in respect of 23 programmes, falling into four groups: the results of or preparations for major United Nations conferences, giving rise to new mandates; the termination of programmes that had attained objectives; programmatic changes reflecting restructuring or the reformulation of programmes of work; and other revisions of a technical nature. The revisions being proposed, covering the last two years of the plan period, would serve as a basis for the proposed programme budget for 1996-1997 and act as a bridge to the next medium-term plan, beginning in 1998.

39. The Fifth Committee should be aware of the time constraints the Secretariat faced in preparing the new medium-term plan, in respect of which a prototype of a new format had been developed following the doubts that had been expressed regarding the effectiveness of the current system. The new format sought to ensure that the medium-term plan would serve as the strategic document of the Organization, with congruence between the organizational and programmatic structures. It was also hoped that it would promote greater unity of purpose, clearer lines of responsibility and greater managerial accountability. Since the Secretariat would need to begin preparations for the new plan in January 1995, the General Assembly must give clear guidance at the current session.

40. Mr. ETUKET (Uganda) asked whether responses had been received from committee chairmen regarding the proposed revisions to the medium-term plan. He hoped that the Fifth Committee would have an opportunity to hear the views of the Advisory Committee on the relevant administrative and financial aspects.

41. The CHAIRMAN said that he was awaiting a response from the Chairman of the Third Committee, following which the replies would be circulated.

42. Mr. TAKASU (Controller) said that Fifth Committee practice had been to take up proposed revisions to the medium-term plan without waiting for the Advisory Committee's views. It was, however, for the Committee to decide how to proceed.

The meeting rose at 11.55 a.m.

UNITED NATIONS
General Assembly
FORTY-NINTH SESSION
Official Records

FIFTH COMMITTEE
13th meeting
held on
Tuesday, 8 November 1994
at 10 a.m.
New York

SUMMARY RECORD OF THE 13th MEETING

Chairman: Mr. TEIRLINCK (Belgium)

Chairman of the Advisory Committee on Administrative and
Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.25 a.m.

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS (continued)

(a) APPOINTMENT OF MEMBERS OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (continued) (A/49/101/Add.2)

1. The CHAIRMAN drew attention to the note by the Secretary-General (A/49/101/Add.2) informing the General Assembly that he had received notification of the resignation of Mr. Even Fontaine-Ortiz (Cuba) from the membership of the Advisory Committee on Administrative and Budgetary Questions. Accordingly, the General Assembly was required at its current session to appoint a person to fill the unexpired portion of the term of office of Mr. Fontaine-Ortiz. The Government of Cuba had nominated Mrs. Norma Goicochea Estenoz to fill the vacancy, and her candidacy was supported by the Group of Latin American and Caribbean States. If he heard no objection, he would take it that the Committee wished to recommend the appointment of Mrs. Goicochea Estenoz to fill the vacancy on the Advisory Committee for a term of office beginning on the date on which the General Assembly approved the appointment and expiring on 31 December 1996.

2. It was so decided.

AGENDA ITEM 105: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/49/16 (Part II), A/49/34, A/49/98, A/49/336, A/49/418, A/49/471 and A/49/560; A/C.5/49/1)

3. Mrs. GOICOCHEA (Cuba) said that, in keeping with the expectations created by the commemoration of the fortieth anniversary of the Organization, the General Assembly had decided to implement a set of measures aimed at enhancing the efficiency of the administrative and financial functioning of the United Nations. Those measures had included a new budgetary process aimed primarily at increasing the confidence of Member States in the Organization and at improving the latter's financial situation and efficiency. Currently on the eve of its fiftieth anniversary, the United Nations had before it a new set of innovative proposals aimed at reforming the basic concepts underlying the scale of assessments. At the same time, it was considering complementary measures to enhance the efficiency of the administrative and financial functioning of the United Nations. Moreover, the causes which had led to the inclusion of that item in the agenda of the General Assembly since 1985 remained almost unchanged. It was therefore time to attack the root of the problem in order to send a message of confidence and optimism to all Members of the Organization.

4. It was also important to discuss all the factors related to the enhancement of the Organization's efficiency. For example, there was an urgent need to improve the management culture of the United Nations and her delegation welcomed the measures which had been proposed with a view to ensuring the efficient

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implementation of United Nations programmes by programme managers and their staff. She hoped that the new system would strengthen the cooperation and dialogue between two of the pillars of the Organization, namely, Member States and the Secretariat. The level of acceptance and support for the proposed measures would depend on the timeliness and openness of that dialogue. Her delegation attached particular importance to the review of the legislative instruments relating to the decisions of Member States which should be considered not as an end in itself but as the logical result of the analysis of the various matters considered by the General Assembly. At the same time, the Secretariat should thoroughly review the subsidiary legislative instruments within its field of competence, such as rules and administrative issuances, with a view to simplifying them.

5. Her delegation fully agreed with the Secretariat on the need to ensure that the new system was extended to offices away from Headquarters, regional commissions, peace-keeping operations and other activities in the field. It would be for the specialized agencies, however, to decide on appropriate measures for improving the management culture in their respective areas of work.

6. Attention had been drawn to the close link between the establishment of the new system and other aspects related to the enhancement of the Organization's efficiency. Any decision on the system should therefore be without prejudice to the outcome of other negotiations, in particular those on the adoption of a new format for the medium-term plan and its links to the programme budget.

7. While recognizing the effort which the Secretariat had made to present Member States with a compilation of the action it had taken, her delegation regretted that the Secretary-General's report in document A/49/336 lacked the analytical approach requested in General Assembly resolutions 47/212 A and B and 48/228, which would have made Member States aware of how the restructuring process had affected the implementation of the various programmes.

8. Her delegation was shocked that, in restructuring some of its offices, the Secretariat had taken policy decisions without even the benefit of an intergovernmental debate on such actions. She was referring in particular to the transfer of the Electoral Assistance Unit to the Department of Peace-keeping Operations and the Secretary-General's decision to seek assistance from the Administrator of the United Nations Development Programme in the area of coordination. The General Assembly should suspend implementation of those two measures pending consideration of the matter by the relevant Main Committees.

9. Her delegation concurred fully in the recommendations made by the Board of Auditors concerning the improvement of its external oversight functions. She hoped that the resolution to be adopted on that item would also include appropriate provisions for allocating to the Board new and additional resources to permit it to exercise its functions.

10. Finally, her delegation awaited with interest the proposals of the Committee for Programme and Coordination (CPC) and of the Advisory Committee aimed at improving the effectiveness of their oversight and coordination

mechanisms, as requested in General Assembly decision 47/454 and subsequently reaffirmed in General Assembly resolution 48/218. The suggestions of CPC should also include recommendations for enhancing the effectiveness of joint meetings between that body and the Administrative Committee on Coordination.

11. Mr. DEINEKO (Russian Federation) said that the rapid changes in the contemporary world made it necessary constantly to adapt the United Nations system to the new conditions and the current restructuring exercise was aimed at enhancing the Organization's capacity to meet that challenge. The financial and administrative aspects of restructuring were of vital importance in assessing the real potential of the United Nations to fulfil its task.

12. In that connection, the establishment of an effective system of accountability and responsibility was a long-awaited and essential step. He welcomed the serious and creative approach which the Secretariat had adopted in implementing the new system. That approach contained an important psychological element, namely, the desire to unleash the initiative of United Nations staff and to establish an atmosphere of creativity and innovation aimed at increasing their motivation. However, the process of establishing an effective system of accountability and responsibility was complex and difficult and required the maintenance of an open dialogue between the Secretariat and Member States. The Russian Federation was ready to provide necessary support to the Secretariat in its effort to introduce such a system. The measures which the Secretariat proposed to undertake in the first stages included a detailed review of the rules and regulations governing the delegation of authority in such areas as personnel administration, finance and procurement. While those measures were quite warranted and reasonable, of equal importance was the promotion of a new management culture that would encourage more efficient performance and higher productivity within the United Nations system.

13. His delegation intended to follow closely the results of the testing of the new performance appraisal system, which was intended to increase the responsibility of all staff for their work. It was well aware, however, that reform in that area could encounter internal resistance on the part of some staff who wished to preserve the existing practice of amorphous responsibility based on seniority and not on performance. In the view of his delegation, the current performance appraisal system was not only senseless but also extremely harmful, since it resulted in indifference and stifled initiative and creativity. The new performance appraisal system was designed to eliminate those glaring defects and his delegation hoped that the ongoing efforts of the senior staff of the Secretariat in that area would not meet the fate of previous attempts to establish a reliable performance appraisal system.

14. For its part, the new procurement policy of the Secretariat was broadly consonant with the demands by Member States for transparency and fairness in that area, especially with regard to peace-keeping operations. It was now time to translate that policy into action.

15. A significant result of the restructuring in the administrative and budgetary fields was the consolidation of all units responsible for internal

audit, oversight and evaluation, and inspection and investigation into the Office of Internal Oversight Services in order to make more effective use of available resources. Moreover, such a consolidation of functions would permit the emergence of a more independent and autonomous structure, which was very important for the effective functioning of the United Nations under current conditions. A major priority of the Office of Internal Oversight Services at the current stage should be to fight vigorously against the breaches of financial discipline, fraud, waste and abuse which occurred in the United Nations. In view of the extremely high level of expenditure involved, procurement for peace-keeping operations constituted a major area of potential fraud or other abuse against the United Nations, both outside and within the Organization. His delegation broadly supported the recommendations of the Ad Hoc Intergovernmental Working Group of Experts aimed at improving the efficiency of peace-keeping operations.

16. Mr. MONGBE (Benin) said that the proposed reforms to the management structures of the Secretariat would make the system more transparent and effective and would provide for greater accountability and responsibility.

17. The recently established Office of Internal Oversight Services, if properly used, could be expected to perform a useful function in giving direction to the cumbersome administrative structures of the Organization. Similarly, the new management system, which was designed to increase the motivation of the staff of the United Nations, was likely to prove effective, as similar arrangements had done in the business world. However, his delegation had reservations as to the extent to which an intergovernmental organization such as the United Nations could be regarded as analogous to a private firm. An intergovernmental structure might be subject to all sorts of pressures that were unknown in the world of business. For that reason his delegation endorsed the views of other speakers who had drawn attention to the importance of setting up a system for evaluating results and of establishing a set of clear objectives to be met at all levels of the Secretariat. The proposals contained in the report of the Secretary-General (A/49/336) established a reasonable balance between decentralization and the delegation of authority, on the one hand, and the monitoring and oversight of resources, on the other.

18. His delegation fully supported the proposals of the Secretary-General concerning the restructuring at Headquarters and the relocation of certain functions both to and away from Headquarters, one of the main objectives of which was to rationalize the linkages between the various structures of the Organization in the economic, social and environmental fields and to strengthen unity of purpose. All the proposed changes should, however, take into account the five overall priorities established by the General Assembly, the most important of which, for his delegation, was Africa.

19. The Fifth Committee should recommend to the General Assembly measures which would strengthen the implementation of programmes concerned with development and peace in Africa, which, since the inception of the Organization almost 50 years before, had tended to be neglected. Some years before the General Assembly had launched the United Nations Programme of Action for African Economic Recovery

and Development but, because of lack of follow-up and adequate resources, it had produced little result. In 1991, the Assembly had adopted the United Nations New Agenda for the Development of Africa in the 1990s, which had again given hope to the people of that continent. The continuing problems of Africa obliged his delegation to emphasize once again that, like the environment, the maintenance of peace, drugs and human rights, Africa was a priority for the United Nations. Attention must be paid to the structures which must be set up in order to ensure implementation of the strategies adopted by the General Assembly for the United Nations New Agenda for the Development of Africa in the 1990s, the resources necessary for carrying out those strategies and follow-up in order to transform those policies into reality.

20. Early in the 1990s the Committee for Programme and Coordination had adopted a three-level structure corresponding to the three subprogrammes of Programme 45. Subprogramme 1 was designed to mobilize resources to implement the New Agenda and to ensure that the action by the international community produced positive results for the long-term development of the African economy. In the view of his delegation, the subprogramme should be located at Headquarters. It was a cause of concern to his delegation that, in spite of the restructuring of the Secretariat in the interest of rationalization and efficiency, the Office of the Special Coordinator for Africa, which had the leading role to play at Headquarters in giving effect to the priority concern for Africa, did not have adequate office space or staffing and financial resources. That situation must change if the General Assembly resolution was to be properly implemented.

21. Subprogramme 2 was located in Africa at the Economic Commission for Africa and was badly in need of additional resources. Subprogramme 3 was located in the Department of Public Information and was mainly concerned with the publication Africa Recovery. Its main task should be to publicize the action taken to give effect to the New Agenda. His delegation considered that the subprogramme should also publish information on positive achievements by Africans so as to counter the negative image of Africa projected by the international press. The Department of Public Information should ensure that Africa Recovery had a more balanced content and covered achievements in the fields of democratization, the respect for and promotion of human rights, economic progress, and so forth.

22. His delegation would judge the structural changes in the Secretariat in terms of the extent to which they had a positive impact on the handling of Africa's problems.

23. Ms. JARAMILLO (Mexico) said that her delegation attached great importance to the administrative efficiency of the United Nations and generally shared the opinions of the Committee for Programme and Coordination concerning documents A/C.5/49/1 and A/49/336.

24. Her delegation welcomed the proposed system of responsibility and accountability and expected that it would be further refined once the performance indicators called for by resolution 48/218 had been established. It

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was, however, important to bear in mind that the introduction of such a system did not imply an expansion of the role of the Secretariat, which was to give effect to the decisions taken by the Member States.

25. Her delegation fully agreed with the Secretary-General that the accountability of programme managers must be coupled with the provision of the financial resources they needed to perform their tasks. Objectives should be defined more clearly and she welcomed the announcement of the forthcoming publication of an organization chart of the Secretariat showing the effect of the changes. It would be useful, in order to evaluate the improvements brought about by the changes, if a chart showing the structure of the Secretariat prior to the restructuring exercise could also be made available.

26. CPC had not made specific recommendations on the report contained in document A/49/336, largely because of differences of views between its members. However, the document was a good basis for discussion of the effects of the restructuring, although her delegation would have preferred a report that was more analytical than descriptive.

27. Although her delegation acknowledged that it was the Secretary-General's responsibility to decide on the structures needed to implement the programmes of the Organization, it wished to express concern at the suggestion in document A/49/336 that there was a lack of clarity in certain mandates, especially in the economic and social sectors. In other areas the opposite appeared to be the case. One example was the decision to transfer the Electoral Assistance Division to the Department of Peace-keeping Operations. In her delegation's view, electoral assistance could be given and received outside the framework of peace-keeping operations.

28. She noted and welcomed the efforts of the Secretary-General to strengthen the linkages between the economic and social sectors, on the one hand, and the political and humanitarian sectors, on the other, but pointed out that development activities could not all be reduced to peace-keeping operations.

29. Her delegation hoped that the Office of Internal Oversight Services, in line with the mandate assigned to it by the Member States, would shortly be concentrating on its procedures, especially with regard to the submission of reports. It agreed that adequate resources were needed for oversight functions. However, such resources must be made available without affecting the resources earmarked for the substantive activities and priorities of the Organization.

30. On the question of sanctions against individuals guilty of fraud, her delegation agreed with the views of the Ad Hoc Group of Experts that had been established to consider that matter, particularly with the recommendation that the Statute of the United Nations Administrative Tribunal should be amended to enable it to deal with cases of alleged financial misconduct and that the internal rules should be reviewed in order to ensure the detection and prevention of acts of fraud and the punishment of the staff members responsible for them. Her delegation had studied with interest the views of the Board of Auditors (A/49/471) on the possible improvement of external oversight functions

and the work of the Board, and agreed that the Board should have adequate resources to enable it to carry out its tasks. Her delegation noted that a similar concern had been expressed by the Joint Inspection Unit in its report (A/49/34), in particular in the section concerning measures to enhance the performance, productivity and impact of the Unit.

31. The Advisory Committee on Administrative and Budgetary Questions and the new Office of Internal Oversight Services, within the limits of their respective mandates, should become more involved in the follow-up of the recommendations which the external oversight mechanisms had made to the Secretariat, and should report thereon to the General Assembly.

32. Mr. SOOMRO (Pakistan) said that the increase in the responsibilities of the United Nations in recent years had not been matched by an increase in financial resources, which had led to a precarious financial situation. The demands placed on the Organization could be met only if there was a renewed commitment to provide additional resources.

33. The Secretary-General's report on the establishment of a transparent and effective system of accountability and responsibility was apposite. Greater transparency was needed in international competitive bidding and in recruitment, where equitable geographical representation must be guaranteed. The administrative structures of the Organization and its budgetary resource allocations must reflect the current priorities of trade and finance, strengthening democratic structures, and social and humanitarian issues.

34. The United Nations must decentralize functions in order to lessen the burden on the Secretariat and promote regional inputs while strengthening coordination. The review of the work methods and structures of the Organization must be in accordance with intergovernmental mandates and the objectives of the Charter. Every effort must be made to streamline management to ensure that the economic and social sectors were provided with the maximum budgetary allocations.

35. The fundamental role of the Organization in terms of preventive diplomacy, peacemaking and peace-keeping should be to promote security in a changing environment and to work for the well-being of all peoples. In that regard the promotion of human rights was important, and should be reflected in the budgetary allocations, as should the critical role of the Organization in relief, rehabilitation and reconstruction.

36. The United Nations would be as strong as Member States wanted it to be. Member States, which had high expectations of the United Nations, must ensure adequate funding and make their commitment to the Organization a national priority.

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (*continued*) (A/48/516 and Add.1, A/48/572, A/48/587; A/49/5 (vol. I-IV) and Add.1-9, A/49/214, A/49/348 and Add.1-2, A/49/368, A/49/547)

37. Mr. MUNCH (Germany), speaking on behalf of the European Union and Austria, said that the reports of the Board of Auditors had always been extremely useful in identifying weaknesses and other problems throughout the system as well as in indicating activities that were properly administered or where improvements had been achieved. The summary of principal findings and conclusions (A/49/214) was particularly welcome. Nevertheless, the late issuance of the relevant documentation was again cause for dissatisfaction.

38. The comments of the Board of Auditors provided valuable insight into the functioning of the Organization. It was clear that much remained to be done in terms of improving administration and management, and it was to be hoped that the work of the Office of Internal Oversight Services would simplify the Board's task in future. In particular, the Office should ensure proper follow-up to the Board's recommendations, an issue which had led to dissatisfaction in previous years. In that connection, he noted with concern that the Board had qualified its audit opinion on the financial statements of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations International Drug Control Programme (UNDCP) and peace-keeping operations. In view of the heavy expenditure on peace-keeping he commended the issuance of a separate report by the Board. Indeed, as noted by ACABQ, it might be necessary to deal with some of the larger operations separately.

39. With regard to procurement, there was a need for improved management, more open competition, and more intelligent interaction with the market. The European Union and Austria agreed completely with the Board's view that the use of a relatively narrow range of suppliers and the limited extent of bidding made it unlikely that the best value for money was achieved. Financial rule 110.18, establishing international competitive bidding on high-volume contracts, must be strictly adhered to. The United Nations procurement system must be further developed to ensure impartiality, openness and competition. He commended the initiative to establish an expert working group to review procurement procedures for peace-keeping operations.

40. The European Union and Austria were deeply concerned that no complete physical inventory of property had been taken at Headquarters since 1987, which was a clear breach of the financial rules and regulations. In that connection, the Board of Auditors had repeatedly underlined the weakness of internal control procedures for safeguarding the Organization's assets. The Secretariat should provide an explanation together with an indication of what action it intended to take.

41. The delays in implementation and the increased cost of the Integrated Management Information System (IMIS) were worrisome, particularly since the

situation seemed to result from deficiencies in the organizational structure needed for following up on implementation of the system. In particular, no senior officer had been given appropriate authority to institute the changes in policies and procedures which the new system required to be successful and cost-effective. The European Union and Austria fully supported the Board's recommendations aimed at clarifying responsibility for implementing the project and defining detailed targets. IMIS should constitute a test case on the development of a new system of accountability and responsibility within the Organization.

42. It was deplorable that the same deficiencies occurred year after year, in particular in the two paramount areas of procurement and inventory. That situation must not be allowed to continue. The issue was not to devise additional rules, but to make sure that the existing rules and regulations were fully complied with. In particular, clear lines of responsibility and delegation of authority must be defined, and internal control and reporting mechanisms must be significantly strengthened, an area in which the Office of Internal Oversight Services would have a major role to play. In addition, staff members must take responsibility for their actions and the resources entrusted to them, which raised the question of the measures to be taken against those responsible for violations of the Financial Rules and Regulations that resulted in financial losses. Appropriate action, including disciplinary measures, must be taken in such cases. In that connection, he fully supported the conclusions of the Ad Hoc Intergovernmental Working Group of Experts.

43. Lastly, he drew attention to the inadequate performance, monitoring and evaluation of UNDP projects. It was not tolerable for an institution of that magnitude not to have developed a strategy for the proper use of information technology. In addition, the Programme suffered from a poorly focused objectives and output measurement. UNDP should tackle those issues in the near future, and provide an explanation for its low project delivery rate. The European Union and Austria were also concerned by the Board's comments on the technical assistance activities that were the responsibility of the Secretariat itself, where the level of delivery was also disappointing.

ORGANIZATION OF WORK

44. The CHAIRMAN drew attention to the programme of work for the week 7-11 November 1994, and noted that, owing to the late issuance of the relevant documentation, item 114 "United Nations common system" would be deferred to 14 November, and item 115 "United Nations pension system" would be introduced on 11 November and resumed on 14 November.

45. Mr. BOIN (France) said that both items should be deferred to the week of 14 November. It was deplorable that the Fifth Committee once again was unable to proceed with its work because the relevant documentation was not available in all the official languages. The report of the International Civil Service Commission had been finalized at the end of September, and he failed to see why

so much time was necessary for it to be translated and issued in all languages. There was clearly a need for increased transparency in the relations between the Bureau, the Committee, and the Secretariat. Nevertheless, in a spirit of flexibility, his delegation would accept the Chairman's suggestions.

The meeting rose at 11.50 a.m.